

# FINANCIAL TIMES

Pinochet reacts nervously to US attack, Page 5

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Finland	+0.1		
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## World news Business summary

### Reagan defeated over aid to Contras

President Ronald Reagan suffered one of his biggest ever foreign-policy defeats on Capitol Hill when the Democrat-controlled House of Representatives rejected his plan for military aid to the anti-government contra rebels in Nicaragua, by a 222-vote majority, after an emotional 10-hour debate.

### London rises rapidly to peak

LONDON: The rapid pace continued as post-budget enthusiasm pushed the FT Ordinary share index to 2,415.1 after one of its largest gains of 25.6. The broader FT-SE 100 index achieved its biggest ever rise to end 30.3 up at a record 1,899.1. Gilt rose sharply before tapering off to end about 1/2 point higher.

### Brussels to repay

The European Commission is to repay all the ECU member states their excess budget contributions for the first three months of the year, as a result of Britain's successful European Court action to save its own cash.

### Spain joins N-group

Spain, which voted in a referendum to stay in Nato, said it would join the Alliance's Nuclear Planning Group, which it had previously attended as an observer.

### Sindona in coma

Traces of "toxic substances" were found in the blood of jailed Sicilian financier Michele Sindona, who was taken to a hospital outside Milan in a deep coma, a doctor said.

## Chirac Cabinet to speed passage of economic policies

BY DAVID HOUSEGO AND PAUL BETTS IN PARIS

MR JACQUES CHIRAC took over as France's new right-wing Prime Minister yesterday and named a Cabinet dedicated to moving rapidly towards implementing the right's programme of selling state assets and boosting the competitive position of French industry.

## EEC expected to order freer insurance markets

BY PAUL CHEESBRIGHT IN LUXEMBOURG

EFFORTS TO create a genuine EEC-wide common market for the supply of non-life insurance services were given a vital boost in the European Court of Justice yesterday.

## Aluisse unveils recovery plan

BY WILLIAM DULLFORCE IN GENEVA

ALUISE, the troubled Swiss aluminium producer, yesterday announced a drastic recovery plan based on a capital reconstruction and a large-scale disinvestment from loss-making operations.

## British companies protest against tax on ADRs

By Barry Riley and Alexander Nicoll in London

LEADING British companies whose shares are traded in New York in the form of American depositary receipts (ADRs) are to approach the Conservative Government to protest against a 5 per cent tax imposed in Tuesday's budget on the conversion of UK shares into ADRs.

## GM and UK close to deal on Leyland

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

GENERAL MOTORS of the US is shortly expected to reach final agreement with the British Government leading to a takeover of control of the Leyland trucks and Land Rover subsidiaries of the state-owned BL group. That is expected to be announced next week, probably on Tuesday.

## UK acts to block anti-trust suits


BY WALTER ELLIS IN LONDON

THE UK Government yesterday confirmed its tough stance on the extra-territorial application of US anti-trust laws by prohibiting British Airways and British Caledonian Airways from providing information relating to two recent suits.

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# Community energy ministers rule out oil import tax

By Quentin Peel in Brussels

EEC ENERGY ministers yesterday effectively ruled out any oil import tax in the Community for the time being, snubbing a tentative suggestion made by Mr Jacques Delors, the president of the European Commission.

"They agreed that there was no reason to adopt new specific Community energy policy measures now as a result of the substantial fall in oil prices and called on all other industrialised countries to adopt the same attitude.

Mr Delors had floated the idea of an oil levy in a recent speech to the EEC Economic and Social Committee.

A levy could both be a means of adding to the Community's hard-pressed budget revenues and of keeping up the oil price to avoid returning to an undue dependence on imported oil.

The ministers concluded that the current weakness of the oil market was likely to be temporary, and that the Community's long-term energy-saving goals should be maintained.

Mr Alick Buchanan-Smith, the British Minister of State for Energy, argued strongly that the benefits of the oil price fall should be allowed to benefit consumers—both in industry and domestically.

He also argued against any move to adopt new long-term energy objectives for the EEC because of the current turmoil in the oil market.

He said it was "absolutely crazy" to try to come to conclusions on action to be taken in the face of falling oil prices, with major international meetings coming up in the OECD and at the Tokyo economic summit in May.

The ministers also failed to agree on a new policy for state subsidies to coal mines, partly as a result of West German determination to relax the proposed code by allowing aids to ensure the security of energy supplies. Greece also argued that extra aid should be given to lignite and peat production, against the opposition of the majority.

# Commission to give back excess budget payments

By OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Commission has decided to repay all the EEC member-states their excess budget contributions for the first three months of the year as a result of Britain's successful European Court action to save its own cash.

The move, which could prove only temporary pending a full court decision in the summer, was agreed in spite of the certainty that the commission will be asking for a large supplementary budget in the coming months to pay for increased farm spending, and a backlog of other commitments.

The European Court battle over the legality of the EEC spending plans for 1986, in which the Council of Ministers representing the 12 member-states is challenging the European Parliament, seems certain to exacerbate the budget shortfall of up to Ecu 3bn (£1.95bn) forecast for the year.

The repayments to be made to the 12 amount to one quarter of the extra spending effectively frozen by the Court decision—some Ecu 157m out of Ecu 628m.

The rest of the amount cannot be spent until the Court rules on the legality of the Ecu 33.3bn 1986 budget.

Members of the European Parliament's budget committee yesterday united in calling for an urgent supplementary budget for the Commission to safeguard the operation of the social and regional funds, which will suffer the biggest spending cuts.

Mr Efthymios Christodoulou, the budget rapporteur and former governor of the National Bank of Greece, said the social and regional funds would be the first victims of the budget crisis if the member states refused to raise the ceiling on their contributions.

Extra spending should be ensured for them before farm spending absorbed all the available cash.

The European Court case was "verging on the ridiculous," he said. "We are fighting about figures which do not even have any symbolic meaning."

# W. German strike bill wins third reading

By Peter Bruce in Bonn

WEST GERMANY'S governing coalition, turning a deaf ear to months of loud protests and threats from the country's trade union movement, yesterday approved, in its third reading in Parliament here, new legislation which will make it more difficult to finance industrial strikes.

The changes in the law, which have been debated since late last year, and against which the trade unions have, at times, ordered hundreds of thousands of members throughout the country to stop work, will now pass to the Bundesrat, or upper house, where they are likely to be approved and brought into force by the early summer.

Mr Ernst Breit, president of the Deutscher Gewerkschaftsbund (DGB), the main union umbrella body, warned after the parliamentary decision that it would prove "the most expensive" the coalition would take.

The DGB, stung by accusations made by government ministers that ordinary members support the "need" to change the law—plans to ballot all registered union members in West Germany between April 2 and 14.

Should opposition to the new law prove strong, then action against it is likely to become more aggressive. In recent weeks, serious calls for a general strike of limited duration have been made.

The bill passed yesterday has been watered down considerably since its first reading, largely because of reservations about the original wing of the leading coalition party, the Christian Democrats (CDU).

The change in the law was generated by union tactics during the two-month strike for a shorter working week in the summer of 1984.

Then, the unions struck at a few key engineering plants and succeeded in closing down virtually the entire West German motor industry.

People laid off at plants forced to close for lack of delivery from strike-hit plants—the great majority—were, however, paid benefit by the state. The new law aims seriously to restrict the conditions under which workers in such indirectly-affected plants can be paid by the state.

# Iraqi air strikes hit Opec hopes for accord

By RICHARD JOHNS IN GENEVA

THE CHANCE of the Organisation of Petroleum Exporting Countries reaching a plausible agreement on a production level geared to boosting prices looked to have been badly set back yesterday by Iraqi attacks on ships carrying Iranian oil.

The Opec ministerial conference here was still far from finalising an accord on coherent strategy to restore oil prices. These have fallen by about half since the decision here in December to concentrate on winning back market shares at the expense of per-barrel revenue.

That policy is now opposed by a majority of the 13 members, with apparent reservations on the part of Saudi Arabia and Kuwait, the two heavyweights of the Gulf.

Bitter rivalry between Iraq and Iran arising from the Gulf war, now well into its sixth year, had looked any way as if it would make it very difficult to agree on a share-out of quotas under whatever ceiling might be decided on as the right one to bring oil supplies under control.

Chances of any compromise now seem to have been gravely jeopardised by reports of successful Iraqi air strikes against the 259,954 dwt Atlantico and the 273,440 dwt Superior, two very large crude carriers (VLCCs) shipping Iranian oil on the shuttle service from the main terminal at Kharr Island to Sirri Island for onward transportation.

Iraq once again has made clear it will not be restrained by any commitment on output and has been producing this year at an estimated rate of 1.7m b/d, compared with a 1.2m b/d quota agreed in October 1984.

For its part, Iran has let it be known that under any scheme of cuts it would only be prepared to reduce on a barrel-for-barrel basis with Iraq from a level based upon the latter's existing allocation.

Iran's output has slumped to about 1.7m b/d compared with the quota under the 1984 pact of 2.3m b/d largely as a result of its Japanese customers' reluctance to enter into new deals, and Saudi Arabia's success in concluding contracts with them under "net-back" deals related to spot market prices.

Opec's committee of experts believe international demand this year will exceed last year's 16m b/d production level.

Saudi Arabia and Kuwait are understood to be sceptical about other members' willingness to abide by any agreement on output levels. The impression is that these two producers, main protagonists of a "price war" against non-member producers, in particular Britain and Norway, would prefer to make other members suffer more before making any compromises.

They still have sufficient financial reserves to tide them over a period of low oil prices. They appear, however, to have resigned themselves to the fact that the North Sea producers will not collaborate in the foreseeable future with Opec curbs on global output.

Meanwhile, the outcome of consultations here with Mexico, Egypt, Oman, Malaysia and Angola about co-operation or curbing supplies is still in doubt.

Despite the renewed impact of the Iran-Iraq conflict, delegates here still doggedly expressed optimism following a meeting of ministers at which statements about production requirements were said to have been "frankly" exchanged.

Whatever Saudi and Kuwaiti reservations about the agonised proceedings, a majority at least seemed resigned to the fact that, having spent five days trying to devise ways of redeeming the cartel's fortunes, members should struggle on with the search for an agreement sufficient to convince the market.

A failure to reach a compromise, even of a cosmetic nature, would further erode prices.

It could take until the middle of next week to reach an accord, said some delegates as they bought provisions from the supermarket behind the hotel where the conference is taking place. The nature and scale of their purchases pointed to a protracted meeting.

# Troop cut negotiations break off in stalemate

By RICHARD JOHNS IN VIENNA

THE WINTER round of the Vienna arms talks ended in stalemate yesterday after optimism at the start of the year evaporated as the two sides adopted tough negotiating positions.

Western diplomats said the mood in Vienna, where 19 nations have worked in vain for an agreement on conventional forces cuts for 1985, reflected a general winning of the heart by the Soviet side.

A senior diplomat said Nato was disappointed by an apparent failure of the Soviet side at all disarmament forums, including Geneva and Stockholm, to match its encouraging words on arms agreements with deeds at the negotiating table.

Controversy at the Vienna talks centres on a proposal made by the Warsaw Pact last month. The pact sees it as the basis of a first-stage agreement with Nato. But one Western ambassador said the proposal risked pushing the conference into a state of "suspended animation."

The two sides agree that an initial accord should cover relatively small cuts by US and Soviet forces in the central European theatre, which includes the two German states, the Benelux states, Czechoslovakia and Poland.

This would be the first phase of a longer process towards a reduction to 900,000 men per alliance in the area.

The key differences are over how much verification is needed to monitor compliance with the interim agreement, and how much information should be exchanged on troop strengths during a subsequent three-year "no-increase" commitment.

# Finnish strike ends with fear of more unrest

By RICHARD JOHNS IN HELSINKI

A TWO-DAY strike by 42,000 Finnish state workers has ended, but workers say they will begin an indefinite stoppage on April 2 if pay rise demands are not met.

The action halted all trains and grounded most aircraft.

Mr Harri Welterstrand, chief negotiator for the state employees' central union, said chances of a strike in April are "more than 50 per cent."

The April strikes would have the same effect as the recent stoppages. Police, the military, frontier guards and state hospitals would be excluded.

Analysts said Finland's centre-left government coalition will face difficulties if it gives in to the demands.

"Most of the labour market now has a national pay deal with moderate wage increases, in line with the government's wishes," one analyst said.

# Sicilians block roads in protest at building tax

By JAMES BUXTON IN ROME

SICILY WAS virtually cut in half yesterday as thousands of people blocked motorways and railways in protest against a new tax on illegal building.

The protestors, from all over the island, blocked the motorway joining Palermo in the west with Catania in the east, and the main road between Palermo and Messina, at the north-east tip of Sicily.

Earlier this week, they began blocking the road between Palermo and Agrigento in the south. They have also blocked one of the major railways.

There have been similar protests in Calabria, in the toe of mainland Italy.

The road blocks are the climax of a mounting protest in southern Italy over the new law, which came into force recently after a parliamentary battle lasting more than two years.

Under the law, anyone who built a house or flat without planning permission, or made alterations to existing property without authorisation at any time in the past 40 years, can receive an official pardon, provided they make a full declaration and pay a fine, which may in some cases exceed L2m (£200k).

In Sicily, as in many parts of Italy, whole districts have been built illegally. It is estimated there are more than 5m illegal homes in the country.

The Sicilians are insisting they had to build their homes without planning permission because the municipalities were too slow.

Their protest is backed by the mayors of many of the towns involved.



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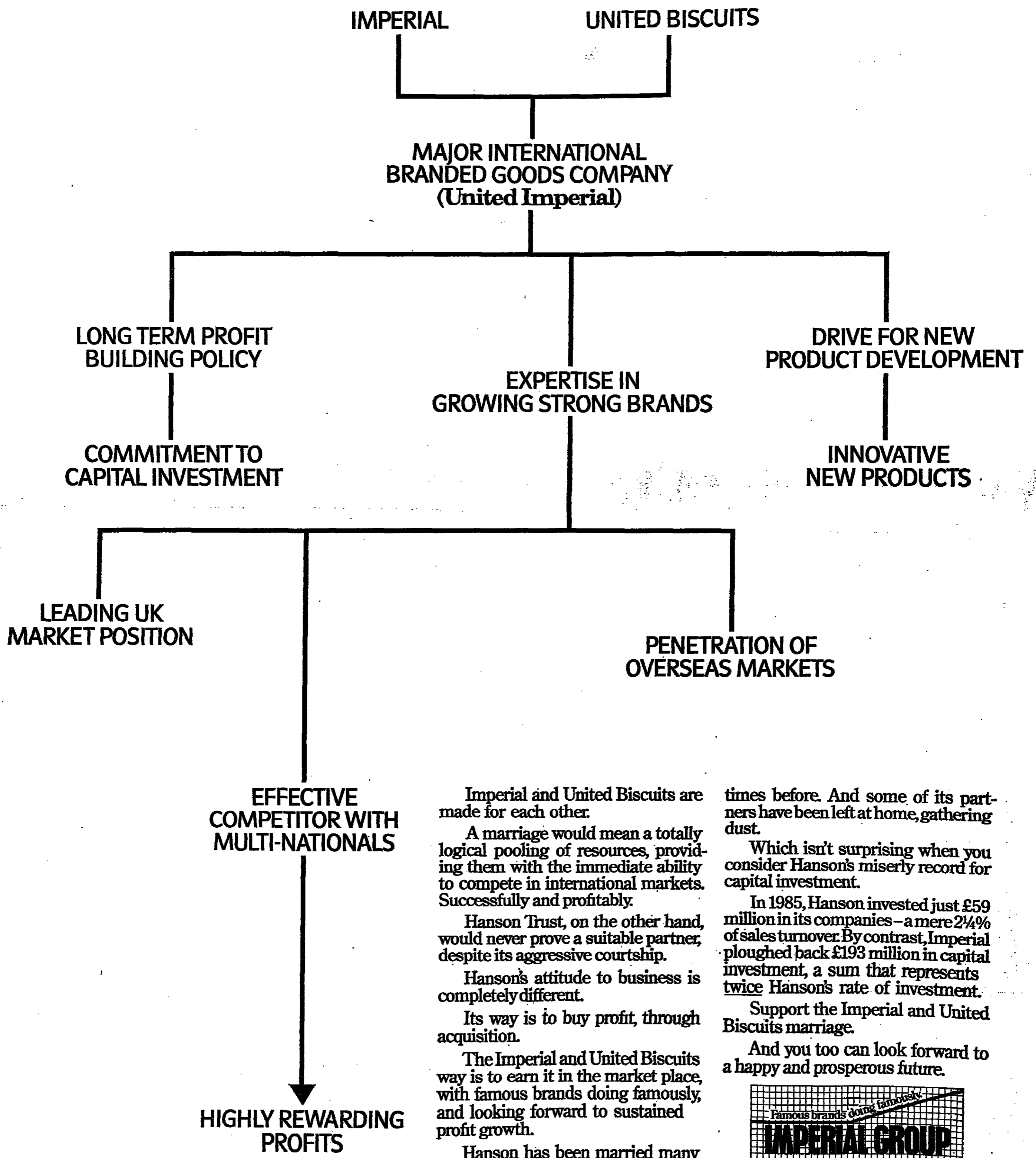
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## (And how to be an heir to the fortune)



AMERICAN NEWS

Stevenson suffers election setback

By Reginald Dale, US Editor, in Washington

THE DEMOCRATIC Party in Illinois was in a state of shock yesterday after two right-wing candidates unexpectedly captured top spots on the party ticket for November's gubernatorial elections.

The raid was conducted by supporters of Mr Lyndon LaRouche, a sometime presidential candidate who has apparently veered from Marxism to the extreme right over the last 10 years.

The success of the LaRouche candidates in Wednesday's primary was a serious upset for Mr Adlai Stevenson III, son of the former leading liberal Democrat who twice ran unsuccessfully for the White House in the 1950s.

The problem for Mr Stevenson is that in November's election he is meant to run on a single ticket with the independently chosen candidate for Lieutenant Governor, who is now Mr Mark Fairchild, a LaRouche supporter.

"I will never run on a ticket with candidates who espouse the hate-filled folly of Lyndon LaRouche," Mr Stevenson said. He will now seek legal means to remove Mr Fairchild from the ticket or, failing that, possibly withdraw from the Democratic nomination and run as a representative of a new party, to be called The True Democratic Party.

The ideology of Mr LaRouche's National Democratic policy committee is notoriously hard to pin down. Mr Fairchild's platform, however, includes a call for mandatory testing for Aids and a quarantine on all those infected by the disease. It also includes severe punishment for banks caught laundering drug money, and end to farm foreclosures.

US condemnation puts pressure on Chilean regime

Concern is growing about Washington's intentions, writes Mary Helen Spooner in Santiago

GENERAL Augusto Pinochet's regime is nervously trying to decipher the mixed signals emanating from Washington in the wake of last week's US-sponsored resolution in the United Nations condemning Chile's human rights practices. The resolution, along with recent events in Haiti and the Philippines, has boosted the hopes of the regime's opponents, despite the fact that the Chilean army's support for General Pinochet shows no immediate sign of wavering.

The regime has reacted to the increased external pressures by attempting to project an image of moderation. Late last month the Chilean Foreign Ministry announced that a group of 47 exiles had been authorised to return to the country.

Last week a speech by Mr Ricardo Garcia, the Interior Minister, making the fifth anniversary of the regime's authoritarian constitution, was decidedly conciliatory in tone if not in substance. Two days later a government spokesman announced the lifting of a ban on political reporting by the country's news media, a restriction long ignored by Chile's opposition press.

The resolution, based on a report by special envoy Fernando Volio, has sparked an angry debate within official circles. Mrs Volio, a former Costa Rican Foreign Minister who visited Chile last month, wrote that the time had come to end the "transition period" in Chile.

The principal reason for continued arbitrary arrests, torture, and other abuses was "the existence of a government not founded on the principle of self-determination of the people," he said.

Mr Jaime del Valle, Chile's Foreign Minister, said the report had caused "great frustration" for the Government. Diplomats in Santiago speculate that Mr Del Valle, the regime's sixth Foreign Minister, may eventually be replaced as the regime's hardliners seek to blame him for the decision to allow Mr Volio into the country.

In a separate diplomatic slight, Sweden poymedly did not invite a Chilean representative to the funeral of the late Olaf Palme, the assassinated premier, along with representatives of the South African and Paraguayan governments. Ambiguous statements by senior Reagan Administration officials have added to the feeling of outside pressure on Chile. On Sunday Mr Donald Regan, the White House Chief of Staff, was asked if the US was seeking to destabilise the Pinochet regime. He responded: "No, not at the moment," adding that the Administration still hoped for peaceful political change. The statement, not surprisingly, triggered a hostile reaction in Santiago.



Gen Pinochet (left) ... vehement reaction to Mr Regan's remark

Admiral Jose Merino, a junta member and naval commander, said Mr Regan was "insolent and meddlesome," and attributed the apparent change in US policy toward Chile to the US Administration's concern over possible Republican setbacks in this year's Congressional elections.

The Reagan Administration, Admiral Merino charged, was trying to avoid the political repercussions of the Challenger agreement by diverting public

attention to Chile. Gen Pinochet's reaction was equally vehement.

"Our constitution was approved by the Chilean people," he said, referring to the controversial 1980 plebiscite in which official results showed two thirds of the voters backing the new charter and an extension of Gen Pinochet's Presidency until 1988. "On the other hand, the American constitution was imposed."

If the Reagan Administration does decide to bring its full weight to bear against the Pinochet regime, it will find it has less influence than many supposed. Arms sales to Chile have been banned for nearly a decade, and current economic aid programs are minimal.

On the other hand, the US could use its influence to block multilateral loans to Chile at a time when the country badly needs all available foreign credit.

According to the Centre for International Policy, a Washington-based research group, US delegates on the boards of the World Bank and the Inter-American Development Bank have supported a total of \$2.2bn in loans to Chile during the Reagan Administration.

Last year, as a protest against the regime's decision to impose a state of siege throughout the country, the US abstained during the voting on three multilateral loans. The fear that it might oppose a badly-needed World Bank guarantee of \$150m in private sector loans eventually led the authorities to lift the state of siege. The less harsh state of emergency remains in effect.

Chile has applied for another \$700m in development loans from the World Bank and IDB, most of which will be voted on this year. Nevertheless, Chilean opposition groups are divided over the issue of economic sanctions.

"The responsibility for the return of democracy belongs to Chileans," Mr Gabriel Valdes, president of the Christian Democrats, Chile's largest political party, said last week. "But we encourage all democracies in the world to support this effort."

He declined to say whether his party favoured US opposition to multilateral loans to Chile. Such a move "depends on the sovereign decision of the US, but we are not requesting anything like that," he said.

Nasa phone logs show calls from White House

By Nancy Dunne in Washington

Mr William Graham, acting administrator of National Aeronautical and Space Agency (Nasa), made or received at least four telephone contacts with the White House in the days preceding the fatal launch of the space shuttle Challenger on January 28, according to records made available on Capitol Hill.

Some of Mr Graham's telephone records were furnished to members of Congress who are investigating all pressures to launch the Challenger despite the unusually cold weather at Cape Canaveral. The White House has vigorously denied reports that it had pressured for an early launch so that the Challenger could be mentioned in the state of the union message.

In a letter to Congressman Edward Markey, chairman of an energy sub-committee, Mr Graham said that the records were not made of all agency communications and contacts between the White House and Nasa. He enclosed a preliminary list of telephone calls and said as soon as a "computer search of my long-distance calls has been completed, I will forward any additions." He claimed that the records would not be available for six weeks.

Congressman Markey has been investigating the nuclear risk implications of the Challenger accident for two missions powered by plutonium 238 which had previously been scheduled for May. He said that documents obtained by his subcommittee "suggest that Nasa may have decided to make safety compromises for these two nuclear missions because of scheduling pressures."

He cited an internal Nasa document which said: "Recent actions to 'fly as is' ... and six to future missions indicate scheduling pressure is forcing solutions which might otherwise be rejected."

Ms Martin Marietta, the US aerospace company, said it plans to lay off up to 700 workers at its Micoud plant in New Orleans because of a production slowdown following the explosion of the Challenger.

Canadian MPs propose stricter banking regulations

By Bernard Simon in Toronto

A COMMITTEE of Canadian members of parliament has proposed sweeping changes in the regulation of financial institutions, including the abolition of discriminatory restrictions on foreign-owned banks and greater overlap between the activities of different types of financial institution.

Reporting in the wake of the first bank failures in Canada for 62 years, the House of Commons finance committee also urges tighter supervision of financial institutions and a sliding scale of ownership curbs.

Companies with assets below \$510bn (\$4.83bn) could be wholly-owned by a single shareholder. The finance committee's recommendations are not binding on the Government, which earlier this year published its own proposals for reforming the regulatory system.

Panama 'ready to receive Marcos'

Deposed Philippine President Ferdinand Marcos may soon leave Hawaii for Panama, Ap reports from Washington.

Negotiations between the US and Panama about the possibility that Mr Marcos may go there are understood to have been going on for several days. Panama is believed to have told the State Department on Wednesday that Mr Marcos would be allowed to enter the country.

It is unclear whether the Republic of Panama would be a permanent home for Mr Marcos or only a temporary residence. The chief Philippine investigator of Mr Marcos' wealth cast doubt on Wednesday on a document indicating contributions by the deposed President of \$50,000 (£33,780) each to the 1980 Presidential campaigns of Mr Ronald Reagan and Mr Jimmy Carter.

End in sight for GE strike

A TENTATIVE agreement was reached on Wednesday in talks between management and the union representing 7,400 striking workers at three General Electric plants in eastern Massachusetts, the union said, AP-DJ reports from Lynn, Massachusetts.

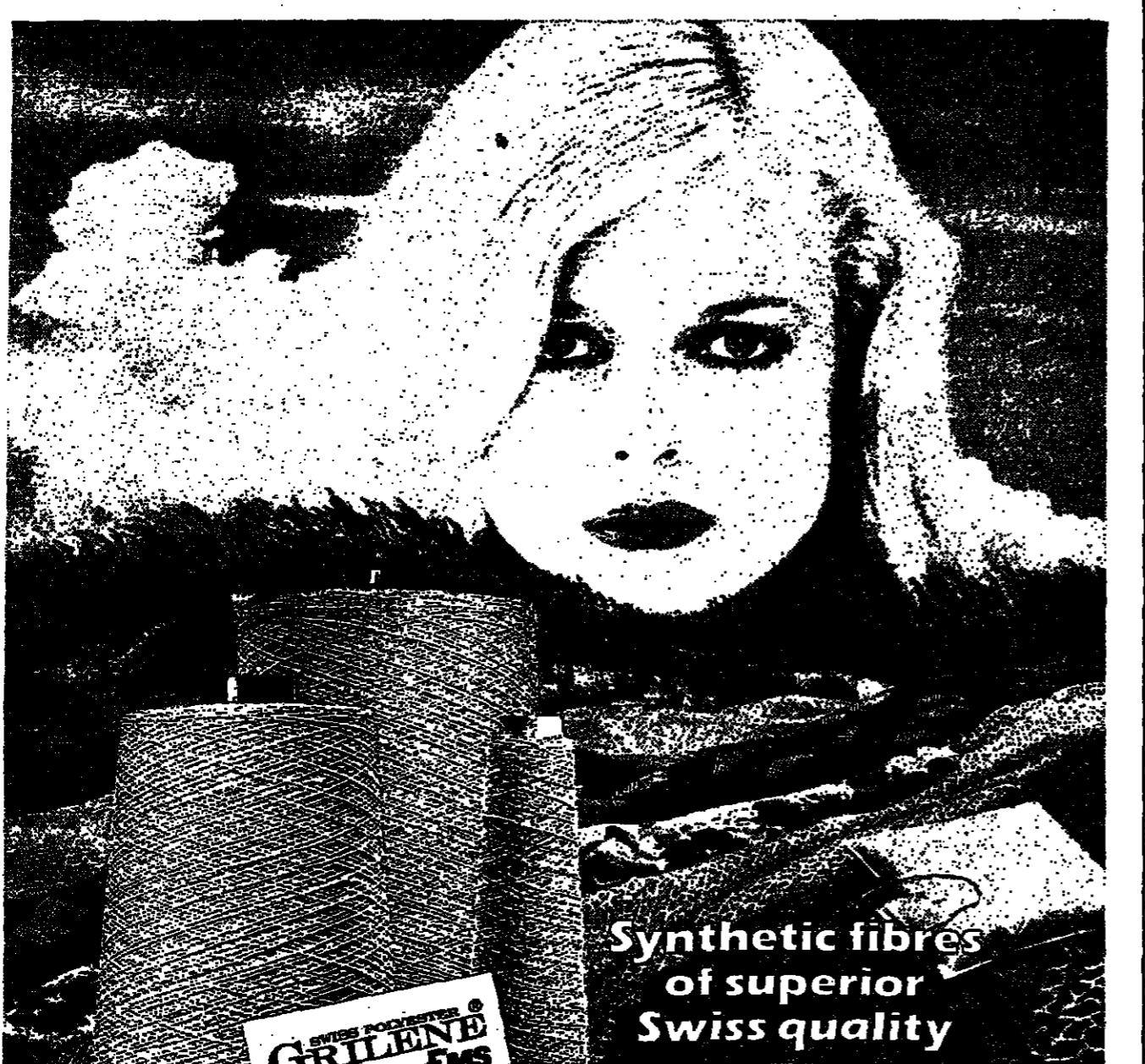
Details of the agreement have not yet been released. Union stewards were to vote on the proposal on Wednesday and the rank-and-file yesterday.

The tentative pact includes some specific commitments on the role of the union stewards, grievance procedure and classes for workers and managers on how to deal with problems, the union said. The negotiating committee is recommending to accept the agreement. The vote was unanimous. Ms Barbara Sweeney said for the union. Local 201 of the International Union of Electrical, Electrical, Technical, Salaried and Machine

Panama labour reform protest called off

PANAMA'S leading labour confederation yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communique issued by the 70,000-member National Council of Organized Workers (Conato), said it would continue pressing the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle. The reforms, which slash payment for overtime and other worker benefits, are part of an economic austerity plan to make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.



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Unilever advertisement. The Boards of Unilever PLC (PLC) and Unilever N.V. (N.V.) make the following announcement concerning dividends on Ordinary capitals. It has been explained in earlier announcements that for the purpose of equalising PLC's dividends on Ordinary capital with those of N.V. in accordance with the terms of the Equalisation Agreement between the two companies, the Advance Corporation Tax (ACT) in respect of any dividend paid by PLC has to be treated as part of the dividend.

Base Rate Change. With effect from Friday, 21st March, 1986 Base Rate changes from 12.50% to 11.50% p.a. Deposit rates will become: Interest paid half-yearly: 7 days notice 7.69%, 1 months notice 8.03%. GROSS INTEREST: 5.75%, 6.00%.

Arbuthnot Latham Finance B.V. US \$30,000,000 Guaranteed Floating Rate Notes due 1992. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 24th March, 1986 to 24th September, 1986 has been established at 7 1/4 per cent. per annum.

AMERICAN NEWS

The battle for long distance

By Paul Taylor in New York

ONLY TWO years after the break up of American Telephone and Telegraph's Bell telephone network, the long distance phone business in the US is in turmoil.

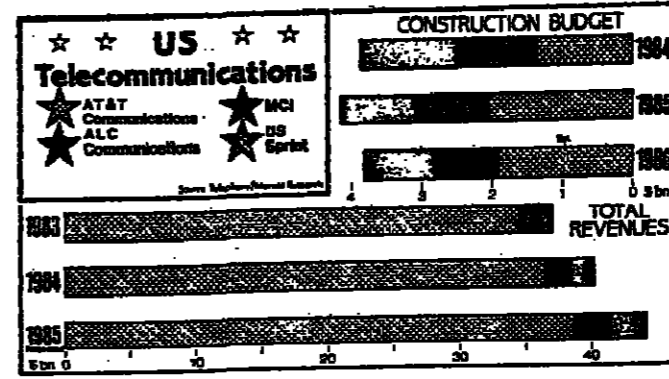
What is not clear is whether the problem is too much or too little competition. Some of the new entrants to the \$45bn-a-year market argue that deregulation has been too rapid. AT & T dismisses their plea for market-place protection, saying its rivals are running scared.

Amid the upheaval has come a spate of mergers among AT & T competitors and, in the battle to survive, America's other common carriers (OCCs) have been forced into rapid technological change, one result of which is expected to be a glut of fibre-optic telephone network capacity in the US.

Mergers include that of Satellite Business Systems (SBS) into MCI Communications, the Washington-based cut-price carrier which ranks a distant second to AT & T in the market place, but which was the only major carrier to post a profit last year.

SBS was a joint venture between International Business Machines (IBM), Aetna and Comsat, who between them poured in over \$1.3bn but gained only 1 per cent of the market. IBM agreed to the merger in return for a 16 per cent equity stake in MCI.

Another of AT & T's major competitors, GTE, has announced plans to fold its GTE Sprint long distance telephone subsidiary into a joint venture with United Telecommunications' offshoot US Telecom. The result of the marriage, US Sprint, will rank as the third largest US carrier, with about 4 per cent of the market and 2.2m customers.



is left. The changed economies of the US long distance telephone business are most obvious in the move towards so-called "equal access." At its simplest, this means requiring local telephone companies to provide the technology to allow AT & T's rivals to offer their customers the same quality of service AT & T already receives.

Under the Bell system post-divestiture rules established by the US Federal Communications Commission (FCC), equal access is being phased in piecemeal, exchange by exchange. The changeover, begun last year, will be about 70 per cent complete by the end of 1986.

As a result, most of America's 90m telephone subscribers are for the first time being asked to choose their long distance carrier. In the battle for market share, this has forced the long distance telephone companies into costly advertising campaigns.

More importantly the introduction of equal access is having a big impact on the market's underlying cost structures. Traditionally, OCCs paid 70 per cent less than AT & T for their local telephone connections, and since mid-1984 they have paid 55 per cent less. This allowed them to under-price their giant rival by often as much as 10 per cent.

But as equal access is being phased in, the OCCs local connection discount is being eliminated. Meanwhile, AT & T's access payments, historically used to subsidise local telephone services, are being reduced. Even though the OCCs are picking up more business as a result of equal access advertising campaigns

accept reduced margins, go out of business or, like Allnet, merge with a financially stronger partner. Last month AT & T cut most of its international call charges by an average of 10.1 per cent.

At the same time it has introduced a retail discount calling plan—which has attracted 2m subscribers in 18 months—and hopes to launch a similar service offering up to 15 per cent discounts to small businesses. The OCCs, with a significantly higher proportion of business customers than AT & T, have so far managed to stall this second scheme. But it is thought the Federal Communications Commission will give the go-ahead soon.

In this changed environment, deregulation moves by the FCC have won it few friends. Last year it reduced the period of regulatory review before AT & T could launch new services, agreed to permit AT & T to market long distance services and equipment together, and allowed AT & T to justify pricing services on the basis of that business alone, rather than the full costs of the whole operating company.

It is having to fight the US long distance telephone battle with one arm tied behind its back, while GTE and some of the other OCCs have mounted a determined lobbying campaign in Washington to slow down the deregulation process.

The FCC, Congress and the courts are likely to address all issues involved in a three-year review of the basis of the AT & T divestiture agreement. Meanwhile there are seven wild cards in the pack, the regional Bell holding companies formed out of the Bell system break-up. These are big, financially strong and have already proved themselves determined to extend their operations beyond the business of providing local telephone services.

They already handle most intra-state long-distance calls and are eager to enter the wider long-distance business. If they are allowed, they could provide the only real competition for AT & T, MCI and US Sprint. AT & T could find itself facing powerful competition from its own offspring.

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The new materials that make modern electric storage

heaters so effective allow them to be built much slimmer (some are less than 6 inches in depth), so they blend into modern commercial premises as unobtrusively as they do in modern homes.

"They really look quite pleasant," added Roger Pinson, "I won't have anything else in future." And on that we are pleased to say, he is sold.

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### Seoul warns that North is readying for war

By Steven A. Rostker in Seoul  
MR LEE KE-BAEK, the South Korean Defence Minister, yesterday warned that the stagnant terms that North Korea is preparing for war.

In an unusual address to the nation, Mr Lee described a recent massive build-up of North Korean offensive military capabilities. He said that the North was preparing to launch an attack before the end of the decade, when the military balance would begin to tip in favour of the South.

Since the summer of 1985, North Korea has acquired new offensive weapons from the Soviet Union, including tactical aircraft capable of reaching Seoul 17 minutes after takeoff, and Scud-B ground-to-ground missiles, which can hit Seoul from Pyongyang, the North Korean capital.

Over the past year, North Korea has gradually raised the level of troop concentration in front line areas from 65 per cent of its total military strength in a massive forward redeployment of troops.

The result, which is confirmed by US military analysts, is to reduce the warning time for an attack from several days to several hours, making an effective response far more problematic. Mr Lee said the North Korean strategy was to develop a decisive advantage in five to seven days of intense warfare, before reinforcements of US troops could arrive.

North Korean forces, over 800,000 strong, enjoy a 20 per cent manpower advantage, a 2.7-fold advantage in tanks, a two-fold advantage in field artillery, and 40 per cent superiority in aircraft numbers. The South Korean airforce, backed by US forces stationed in the country, would, however, enjoy a substantial advantage in quality.

South Korea was alarmed recently by statements of the North Korean President, Mr Kim Il-sung, at a rally attended by Mr Fidel Castro, the Cuban leader. Mr Kim said that the 1988 Seoul Olympics is a "serious political issue" and that "our people cannot sit idly by."

South Korean leaders have long warned that Korea faced a dangerous period up to the Olympics. The Olympics, if successfully staged, will vastly raise South Korea's international stature. The South's rapid economic development will by the early 1990s allow it easily to catch up with and surpass the North in military strength, making the coming years virtually the last opportunity for North Korea to consider a military solution to the Korean conflict.

**Sri Lanka cuts call**  
Soaring defence spending has forced Sri Lanka's Finance Minister, Mr Ronnie de Mel, to give his colleagues just a month to outline cuts of 25 per cent in each ministry's capital expenditure for next year. Mervyn de Silva writes from Colombo. The ministers have to submit their proposals by April 20 to give Mr de Mel time to prepare his own report to the Sri Lanka aid group meeting in June.

**Australia growth worry**  
Australia's domestic economy grew by 4.9 per cent during the calendar year 1985, a rate which the Government now wants to slow in order to improve the country's worsening external accounts. Emilia Tagaza reports from Canberra. The Federal Treasurer, Mr Paul Keating, was particularly anxious with the strong growth in the non-farm gross domestic product, which rose 7.7 per cent in the first six months of the financial year 1985-86.

**South African budget**  
Because of a transmission error, our report in the edition of March 18 on the South African budget contained statistical inaccuracies. Total expenditure in the 1985 budget was set at R31.2bn and revenues at R28.3bn. The projected 1986 deficit before borrowing is projected at R5.9bn, rising to R5.5bn when debt redemption is taken into account.

**South Africa stands by for anniversary of Sharpeville**  
BY ANTHONY ROBINSON IN JOHANNESBURG  
TODAY, March 21, is a day of commemoration in this country of tragic anniversaries. On this day 25 years ago police opened fire on a large crowd outside Sharpeville police station who were protesting against the hated pass laws. When the shooting stopped the ground was littered with casualties, 69 were killed and 178 were injured. Every year since blacks, and many whites, have observed Sharpeville Day to honour these martyrs in the struggle against apartheid.

Last year, the 25th anniversary, history repeated itself when police in armoured cars fired on an estimated 5,000 strong crowd of mourners on their way from Langa, near Uitenhage in the Eastern Cape, to a funeral of unrest victims in nearby Kwanobuhle. Twenty people were killed and 27 injured. A subsequent enquiry by Mr Justice Kammeeyer

## Nuclear power decision a test for Aquino's idealism

Alain Cass on the arguments over Philippine energy supplies

PRESIDENT of the Philippines, Mrs Corason Aquino, was swept to power on a tidal wave of idealism. One of the first tests of that idealism will come when she decides whether or not to scrap the country's first nuclear power plant—as she is committed to do—she gave her more pragmatic advisers. They argue that to do so would be a colossal waste of money and of a vital source of energy.

The two sides in the battle over the plant, built by Westinghouse of the US, are already lining up. The state-owned National Power Corporation (NPC) claims it can run the \$2.1bn 620-Mw plant safely and economically, while its opponents insist it remains a health and safety hazard, a waste of public funds and superfluous to the country's energy requirements.

The issue has been complicated by allegations that millions of dollars paid in commissions by Westinghouse to get the turnkey contract ended up in the pocket of Mr Ferdinand Marcos, the deposed leader, or his associates. Westinghouse denies there was anything improper about any of the commissions.

Opponents of the project, who now hold powerful positions within the Aquino administration, have seized on the fact to push their contention that the plant, situated on the Bataan peninsula, 45 miles west of Manila, is an extravagant waste of the country's scarce funds. The plant, which has never operated, is similar to ones

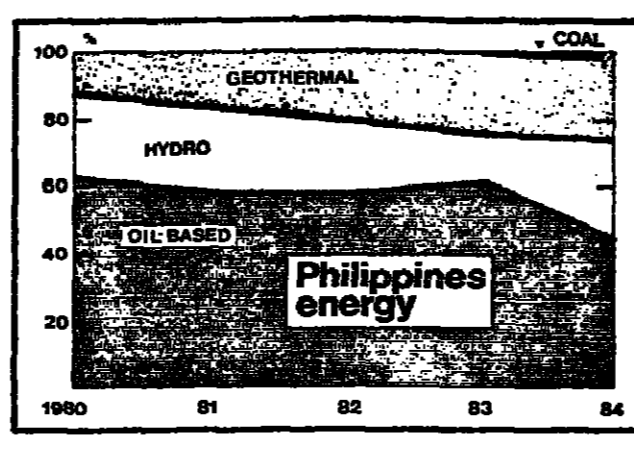
built in South Korea, Yugoslavia and Brazil by Westinghouse. Its opponents claim that the cost has rocketed from \$500m when it was originally ordered to \$2.1bn today.

"It just confirms our view," said Mr Teofisto Guingona, chairman of the Commission on Audit which is spearheading the Aquino Government's anti-corruption drive, "that the whole thing is an extravagant waste of public funds."

The \$500m price tag, says the NPC, was only the original quotation for construction. It did not include extras such as transmission lines, training, interest costs and fuel.

The NPC has so far paid \$431m in interest charges alone on the \$1.5bn foreign loan component of the deal. It continues to do so at a rate of \$350,000 daily. Faced with a crippling total foreign debt burden of \$26bn and debt service costing 40 per cent of export earnings, Mrs Aquino's financial managers are likely to argue that to abandon the project at this stage would be to throw good money after bad.

A major objection to the plant is its safety and construction. Construction was first stopped following the Three Mile Island nuclear accident in the US in 1979. Although that plant was not built by Westinghouse it was of a similar pressurised water reactor two-loop design and Mr Marcos ordered



features were re-evaluated. The plant's location was also questioned by local opponents who pointed out that it is built only 20 km from a seismic fault and 16 km from two dormant volcanoes. The International Atomic Energy Agency (IAEA) was asked to make recommendations, which were later incorporated in the design, as were improvements recommended by the US National Regulatory Commission (NRC). The NPC finally applied for an operating licence from the Philippine Atomic Energy Commission (PAEC) in 1984 which conducted a public hearing at which further evidence of design faults and poor construction was presented by the plant's opponents.

They were led by Mr Joker Arroyo, now Mrs Aquino's executive secretary and one of her closest advisers. The case was referred to the country's Supreme Court which ruled on February 11, 1986, five days after the stormy Presidential election which eventually swept Mr Marcos from power.

That the PAEC's regulatory commission would have to be reconstituted to hear the evidence before a final decision can be taken. Mr Polintan said: "The opponents eventually ran out of technical arguments and so they started questioning things like the adequacy of our fire-

fighting system and our emergency procedures." President, said last week that the power produced by the plant would be needed when the Philippines experiences its

Mr Gabriel Ilichon, the NPC's hoped-for economic recovery. The Bataan plant would produce 16 per cent of the total power requirements of Luzon Island which, in turn, accounts for 70 per cent of the country's economic activity. The NPC has two main grids, one covering Luzon and one serving Mindanao and the country's smaller islands.

The NPC may not find itself on such solid ground when arguing for the plant's comparative cost advantages over other forms of energy.

Even though nuclear power stations once installed are cheaper to run than other forms of energy, the dramatic fall in the oil price reduces that advantage.

Secondly, energy consumption has been dropping in the Philippines ever since the economy took a nosedive in 1983. Much of Philippines' industry now operates at between 40-50 per cent of capacity. By last year the gap between supply and demand on Luzon Island had grown with annual supply averaging 4,100 Mw and demand not exceeding 3,300 Mw.

The NPC replies that not all the installed capacity is available at any one time due to maintenance and repairs and that once the economy picks up the 620 Mw supplied by the Bataan plant will be badly needed.

More broadly, the NPC is faced with the fact that hydroelectric power and geothermal energy have unexpectedly played a much bigger role than anticipated in offsetting imported oil costs. The Philippines is now the second biggest world user of geothermal steam after the US.

The NPC maintains that it can run the plant safely, economically and profitably. Its basic problem is that it faces a Government with a strong, conservationist streak which has emerged from a puritan revolution. The stigma of slush money weighs heavily against the Bataan plant.

Said one of the original objectors, "We could have had six 300 Mw geothermal plants for the price. We will also need 20 foreign experts to run it at an estimated \$10,000 a month each. That's a scale of pay equivalent to three Presidents."

Mrs Aquino's next move is probably to reconvene the PAEC's regulatory commission. If she eventually decides to scrap the plant she could either dismantle it and sell it off to the highest bidder—China has already been mentioned as a possible buyer—or have it converted to conventional fuel. Either way the Philippines will still be faced with servicing the country's single biggest item of foreign debt.

### Sabah police seek to evict rebels from mosque

By Chris Sherwell in Kota Kinabalu, Sabah  
ARMED police in the troubled East Malaysian state of Sabah yesterday mounted a delicate operation to extricate some 1,600 Moslem opposition supporters who found sanctuary in the state mosque after Wednesday's riots in Kota Kinabalu.

The police action was part of a bid to end eight days of sectarian violence in which 29 have died. A bombing campaign has coincided with demonstrations by Moslem supporters of the United Sabah National Organisation (USNO) against the mainly Christian Government of Datuk Joseph Pairin Kitingan.

The turmoil has left five dead and generated fears that the Malaysian Government, which has never fully accepted last April's state election victory of Datuk Pairin, may want to impose direct emergency rule from Kuala Lumpur.

Last night the situation in Kota Kinabalu appeared fragile as the second night of an unprecedented dusk-to-dawn curfew began. Up to 1,000 of those still occupying the mosque appeared determined to stay on behind gates chained and padlocked. The remainder, mostly young men, agreed to leave and had been taken to police headquarters for interrogation.

### Israel vows to continue peace hunt

By Andrew Whitley in Jerusalem  
ISRAEL yesterday pledged to continue its search for peace in the Middle East, despite the killing of an Israeli woman and wounding of three others in Cairo on Wednesday night.

Prime Minister Shimon Peres said that terrorist organisations seeking to spark a large-scale conflagration in the Middle East "will not dictate to us our efforts on behalf of peace." He called on President Hosni Mubarak of Egypt to "cut off the arm of violence" threatening peace hopes in the region.

Yesterday, President Mubarak promised Mr Avraham Shari, the visiting Israeli Tourism Minister, that bureaucratic restrictions on Egyptian trade and tourism with Israel—barriers Israel has persistently sought to have lifted through bilateral talks—would be lifted.

The Israeli Foreign Ministry usually hawkish in relations with the Arab world, also reacted to the attack in a conciliatory vein. "We won't let such a murder interfere with our desire to move ahead in our relations with Egypt," Mr Ehud Gol, a spokesman, said.

Over the past two years, two Israelis working in the Cairo embassy have been killed and a further four injured in three separate shooting incidents. In all the cases a little known organisation calling itself "Egypt's Revolution" has claimed responsibility.

**Peace process 'at dead end'**  
King Hussein of Jordan yesterday told Egypt's President Hosni Mubarak that the peace process had reached a dead end. Tony Walker writes from Cairo.

"We have had a very serious setback or reached a dead end, so to speak for the time being," King Hussein told reporters after emerging from discussions with Mr Mubarak.

Egypt has been anxious to encourage a reconciliation between the King and Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, after the Jordanian monarch's February statement renouncing joint peace efforts with the PLO leadership.

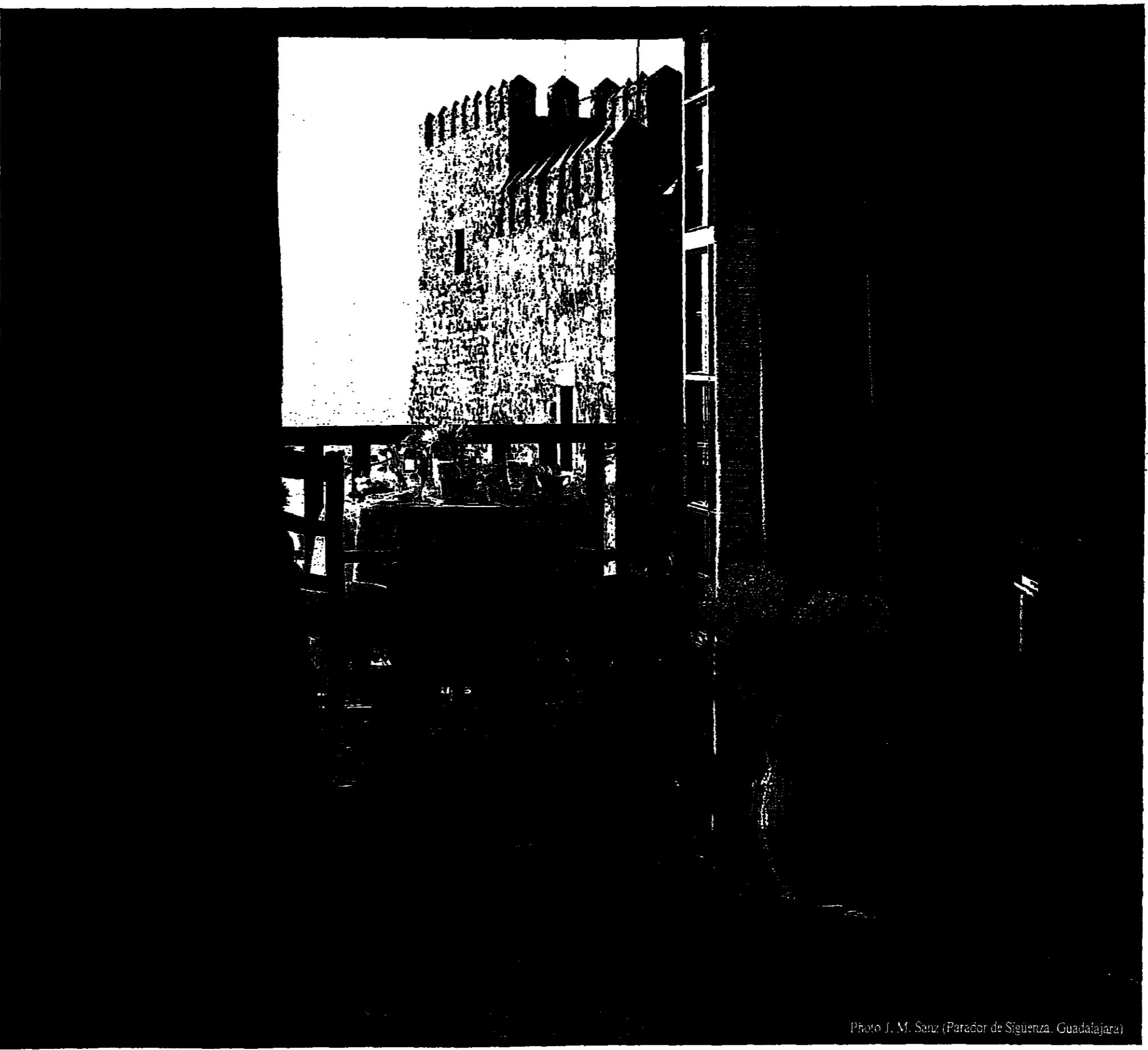


Photo J. M. Sanz (Parador de Sigüenza, Guadalajara)

## You'll know you're in Spain from the moment you open your eyes.

In this era of anonymous international-style hotels, it's comforting to know there is a land whose hotels—however sophisticated and elegant—have kept their own national character.

When you wake up to the fragrance of flowers on your patio, the comfort of an oversized pillow under your head, and the rays of the sun striking through the grillwork on your arched window, where else could you be but in Spain? Your hotel room may even be a part of Spanish history. Some of our superb first-class hotels are in ancient castles and convents. It's an indescribable feeling to wake

up in the bedroom of a medieval duke - now of course complete with a luxurious bathroom the original occupant never dreamed of. Ring for the chambermaid and receive your immaculate tray, your strong, fragrant coffee, and a genuinely friendly smile.

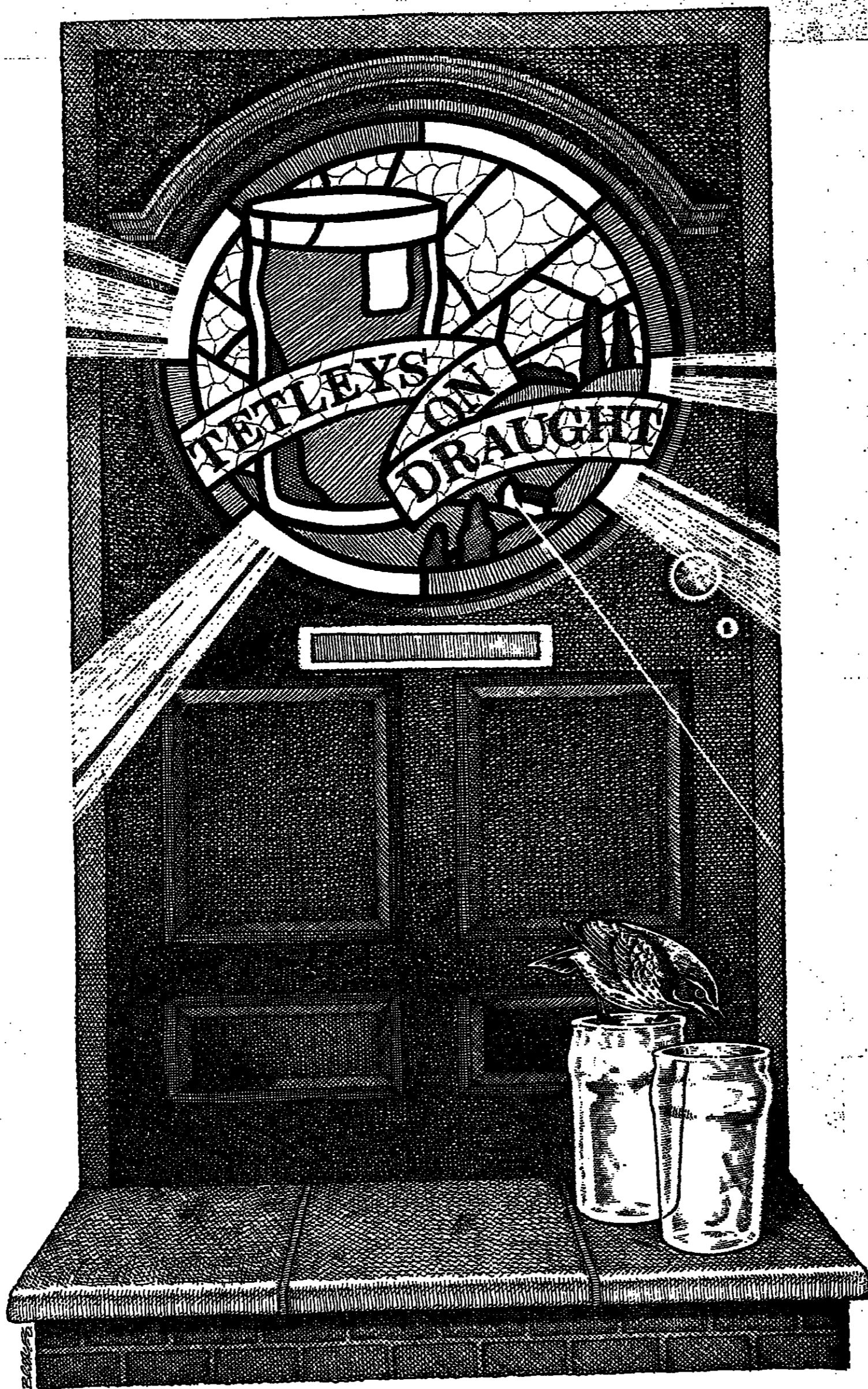
Mmm - the local breakfast cakes are delicious. Now, what shall we do today? The beaches? The bullfights? Sports, shopping, touring? Or nothing more strenuous than a stroll through the cobbled streets of an ancient village, and a drink in its sunny plaza? Ah, but it's good to be alive - and on holiday - and in Spain.



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Take-home bitter is nothing new. But a take-home draught bitter which stays fresh for days from the moment it's opened, was unheard of. Until now.

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The beer posed no problem. It picked itself. Tetley is Britain's most popular bitter.

But bringing it home to you took eighteen months, £250,000 and the services of one of the country's leading packaging technologists.

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The best pint of bitter you'll ever drink at home. In an easy-to-carry pack.

Nearly 9 pints of Tetleys, that comes out clear and bright with a full frothy head just like down the pub.

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NOTICE OF SEVENTH PARTIAL REDEMPTION

THE KINGDOM OF DENMARK

Issue of US\$ 250,000,000 12 1/2% Notes due February 27, 1992 with 250,000 Warrants to subscribe 12 1/2% Notes due February 27, 1992

Pursuant to paragraph "Redemption and Purchase" of the Terms and Conditions of the Notes, notice is hereby given that as a result of exercise of Warrants, Notes for an additional aggregate principal amount of US\$ 64,000,000 will be redeemable on April 22, 1986 at 101 per cent of their principal amount, together with accrued interest (i.e. US\$ 97.40 per denomination of US\$ 5,000) from February 27, 1986 to the date of redemption.

The Notes bearing the following serial numbers have been drawn by lot in the presence of a Notary Public and may be presented to Kredietbank S.A. Luxembourg Avenue, 43, Boulevard Royal, Luxembourg or to the other Paying Agents named on the Notes:

Table of serial numbers for the first 1000 notes, including columns for note number and serial number.

Table of serial numbers for notes 1001 to 2000.

Table of serial numbers for notes 2001 to 3000.

Table of serial numbers for notes 3001 to 4000.

Table of serial numbers for notes 4001 to 5000.

Notes surrendered for redemption must have coupon due February 27, 1987 and subsequent attached. Interest will cease to accrue on the above drawn Notes as from April 22, 1986. Amount remaining outstanding: US\$ 39,000,000. Luxembourg, March 21, 1986.

THE FISCAL AGENT KREDIETBANK S.A. Luxembourg

UK NEWS

Beresford offshoot to cease metal exchange trading

BY STEFAN WAGSTYL

A SUBSIDIARY of the S&W Beresford trading company is to cease trading on the London Metal Exchange (LME) in the wake of the international tin market crisis. The withdrawal of J. H. Rayner (Mining Lane) means that five of the 28 companies trading on the LME when the International Tin Council defaulted in October have either already left or have announced plans to leave the trading floor at Plantation House in the City of London. Unlike the others, however, J. H. Rayner said it would retain its full (ring-dealing) membership of the LME and would reconsider its decision to stop trading if the exchange reformed its trading system by bringing in a clearing house. The company believes that the current system in which traders deal with each other as principals is too risky and needs to be replaced. Mr Harry Whitshire, joint managing director, said that while a clearing house would not have prevented the tin crisis it would have limited the damage done. S&W Beresford which is engaged in a takeover battle, has made provisions of £35m for its tin crisis losses - the highest so far announced by any company. Rayner's decision can only increase the already intense pressure on the LME to follow almost every other commodities market in the world and switch to a clearing house system. Traders are divided over the issue but the tin crisis has strengthened the hand of those who want change, by exposing the shortcomings of the present system. More importantly, the LME is now in a weaker position than before to resist pressure for reform from the Bank of England and from the Securities and Investments Board, the agencies being established by the Government to regulate City of London markets. A special LME committee had been investigating possible changes well before the tin crisis interrupted its work. Mr Michael Brown, LME chief executive, said yesterday that the committee had resumed its study "as a matter of urgency." It is understood that a report could be ready to go before the LME board in the next few weeks. J. H. Rayner's announcement comes just over a week after the LME authorities closed their tin market for good after the failure to negotiate a settlement with the tin council, an inter-government body, which had defaulted on its £300m gross debts to brokers and banks. Since then, Henry Bath & Son, an LME founder member, has been taken over by Metallgesellschaft and Philipp & Lina has announced plans to pull out of the ring. Earlier in the crisis, Lonconex completed a previously arranged withdrawal and MMC Metals went into liquidation. Meanwhile, the ITC yesterday formally abandoned its last vestige of control over the market by scrapping the export quotas it imposed on tin producing countries.

Shipping groups to switch registry

By David Thomas

FOUR SHIPPING companies have told Numast, the merchant navy officers' union, that they wish to remove up to 25 ships from the UK registry. This emerged yesterday when employees at the Bridgend engine plant were told that 200 jobs are to go and a further 60 will be cut at the Swansea transmission and axle plant, which employs 1,200. It is the third successive year that Ford has offered the voluntary job cuts programme which permits employees of 55 to retire without loss of pension entitlement and those who volunteer for redundancy to collect about four times the legal minimum payment. Since 1979 Ford of Britain has cut its total workforce by 37,000 to about 49,000. In the past year the voluntary programme has cut the hourly paid workforce from 38,348 to 35,603 and the salaried staff from 13,969 to 13,080. At Bridgend, which manufactures Ford's new "lean-burn" car engines for the Escort and Orion models, the workforce will be reduced to 1,439 when the latest 200 jobs cuts are made. The Bridgend factory started operating in 1977 and Ford, which was given substantial UK Government aid, estimated at over £100m, said it would employ 2,500. It has, however, never employed more than 1,800. Kenneth Gooding writes: Mr Sam Toy was yesterday elected president of the Society of Motor Manufacturers and Traders, an appointment which suggests he will not be leaving Ford of Britain this year as has been expected. The society insists that its president should be actively engaged in the motor industry but Mr Toy was due to retire as chairman and managing director of Ford of Britain this summer. It is understood that a compromise has been reached whereby Mr Toy, 62, will take on a non-executive role at Ford, leaving the way clear for a new chairman to be appointed after the company's annual results are published in May. Mr Toy will serve as president of the society for two years from June. Sir Godfrey Messervy, chairman and chief executive of Lucas Industries, was yesterday elected to the new post of senior vice president of the society.

Ford plants face 1,800 job cuts

BY ROBIN REEVES, WELSH CORRESPONDENT

FOR OF BRITAIN has reactivated its voluntary redundancy and early retirement programme and is looking for between 1,500 and 1,800 job reductions this year. This emerged yesterday when employees at the Bridgend engine plant were told that 200 jobs are to go and a further 60 will be cut at the Swansea transmission and axle plant, which employs 1,200. It is the third successive year that Ford has offered the voluntary job cuts programme which permits employees of 55 to retire without loss of pension entitlement and those who volunteer for redundancy to collect about four times the legal minimum payment. Since 1979 Ford of Britain has cut its total workforce by 37,000 to about 49,000. In the past year the

voluntary programme has cut the hourly paid workforce from 38,348 to 35,603 and the salaried staff from 13,969 to 13,080. At Bridgend, which manufactures Ford's new "lean-burn" car engines for the Escort and Orion models, the workforce will be reduced to 1,439 when the latest 200 jobs cuts are made. The Bridgend factory started operating in 1977 and Ford, which was given substantial UK Government aid, estimated at over £100m, said it would employ 2,500. It has, however, never employed more than 1,800. Kenneth Gooding writes: Mr Sam Toy was yesterday elected president of the Society of Motor Manufacturers and Traders, an appointment which suggests he will not be leaving Ford of Britain this year as has been expected. The society insists that its president should be actively engaged in the motor industry but Mr Toy was due to retire as chairman and managing director of Ford of Britain this summer. It is understood that a compromise has been reached whereby Mr Toy, 62, will take on a non-executive role at Ford, leaving the way clear for a new chairman to be appointed after the company's annual results are published in May. Mr Toy will serve as president of the society for two years from June. Sir Godfrey Messervy, chairman and chief executive of Lucas Industries, was yesterday elected to the new post of senior vice president of the society.

Allied Lyons offers £100m for Cadbury Schweppes division

BY LIONEL BARBER

ALLIED LYONS, the food and drinks group, has made a firm offer of around £100m for the UK food and beverages division of Cadbury Schweppes, the confectionery and soft drinks group. The Cadbury board meets today to consider the Allied offer, along with at least two other separate proposals, including an originally favoured £92.5m offer made by the food and beverages division's own management. The division was put up for sale last January. Its best known products include cocoa, on which the Cadbury business was founded, Smash instant potato, Marvel, the powdered milk substitute, Typhoo tea, and Chivers Hartley jam. Mr Hugh Colburn, group finance director at Cadbury Schweppes, last night confirmed Allied's interest but he said that the group had received more than one outside offer. He declined to name the interested parties. "It is not necessarily the case that the board will make a decision tomorrow." For the year ending December 1985, Cadbury's food and beverages division made £13.7m trading profit on £377.5m sales, a static profit performance compared with the

previous year. Cadbury said it was selling the division to focus on its core businesses in confectionery and soft drinks. For Allied, facing a £1.5bn hostile bid from Elders IXL, the Australian brewing-to-agriculture group, the purchase of Cadbury's division would strengthen considerably its food interests which include Lyons tea, coffee and ice cream. Elders has said that it would sell off Allied's food interests if it succeeds with its bid, currently being investigated by the Monopolies Commission. Cadbury, having announced the proposed management buy-out before a final deal was signed, now faces a delicate choice between the rival bids for the food and beverages division. Senior management has stressed that it will take into account employment prospects. But, in the event of a substantially higher offer from an outside party, it would also have to consider shareholders' interests. Last month, the group announced a 23 per cent drop in pre-tax profits to £93.5m, largely due to a £22.5m fall in profits in the group's North American operations, which made a £5.6m loss.

Annual surge in car sales to change

BY JOHN GRIFFITHS

THE ANNUAL surge to new car sales in Britain, caused by the introduction of a new prefix letter on registration plates, will change next year from August to October. Sales in August now account for 20 per cent or more of annual sales. But this surge has led to increasing concerns in the motor trade and industry because it causes much lower sales in the preceding months as customers wait for the new prefix letter on August 1.

Mr Nicholas Ridley, the Transport Secretary, said yesterday that this year's new letter - D - would not be replaced for 14 months until October 1 1987. He said this would help manufacturers and enable the vehicle licensing centre to make some savings and improve services. Trade and industry reaction ranged from support to hostility. The Motor Agents' Association, representing the retail trade, described the decision as "appalling". It said

5,000 members had been polled on the issue and many would have preferred a change to July 1. Ford, however, said it was in favour. It should lead to a smoother sales pattern as an October sales bulge would not be as large, thus reducing the cost of stocks. Austin Rover, which has campaigned for the yearly prefix to be scrapped, indicated it would keep the issue alive in the hope of further change.

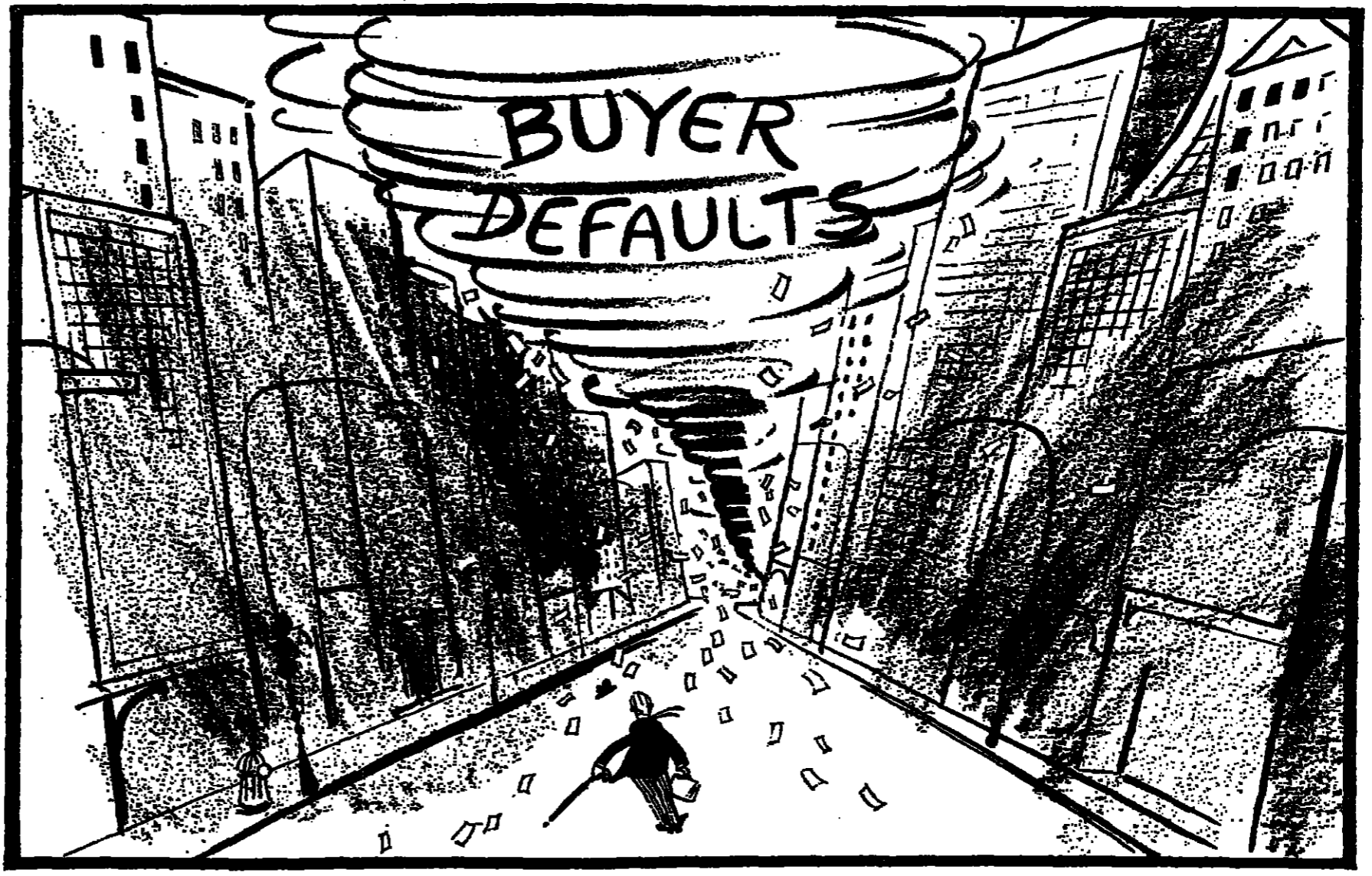
BBC chief opposes European controls

BY RAYMOND SNOODY

MR STUART YOUNG, chairman of the BBC, last night attacked EEC plans which he said would result in the imposition of European-wide controls on broadcasting. The BBC chairman said that the draft directive in the EEC discussion paper "Television Without Frontiers" would mean "that the EEC Commission was the final arbiter of the programme pattern in every country in the Community." It was proposed, Mr Young said, that broadcast signals originating in each country should be automatically made available to other EEC countries. A fixed quota of programmes made in the EEC should also be carried on all television schedules. It was a laudable aim to try to strengthen the European broadcasting industry against an exposure to

an excess of poor quality American programmes, he said. "But the way to reinforce the broadcasting culture of a continent is to ensure that there is vigorous, responsible and diverse national broadcasting in every country." The BBC chairman argued that broadcasting was not an industry that could be compared with the manufacture of cars or textiles. "Mandatory quotas have no place in radio or television," he added. The BBC would reflect European issues in its schedules more effectively because of its own editorial sovereignty as an experienced programme-making organisation. Mr Young said he remained convinced that there was an innate "appropriateness" in the present licence fee as a means of funding the BBC, rather than advertising. Editorial comment, Page 29

Many exporters still consider North America to be a safe place.



Court injunction sought by Militant supporters

THE 12 Militant Tendency supporters in Liverpool facing expulsion from the Labour Party yesterday applied for a High Court injunction to halt a meeting due to decide their fate. Fiona Thompson writes. The application to halt next Wednesday's meeting of the Labour Party's national executive committee (NEC) will be heard this morning by the vice-chancellor, Sir Nicolas Browne-Wilkinson, the senior judge of the Chancery Division. All 12 face the charge of being a member of Militant, which is banned by the Labour Party. Mr Derek Hatton, deputy leader of Liverpool city council, faces the additional charge of abusing Labour Party rules and bringing the party into disrepute. All 12 are due to appear, one by one, before the NEC. Each will be told what the charges against them are, and given an opportunity to answer each. They will be questioned by the NEC and allowed to make a personal statement. Four options are open to the NEC - no action, expulsion or suspension from the party, or declaring a person ineligible for party office. The NEC will vote after each of the 12 have appeared. The 12 applied for the injunction calling for the procedure against them to be stopped "until assurances are given before the court that natural justice will be granted." MR ROBERT MAXWELL, publisher of Mirror Group Newspapers, is suing Scottish Television and the Glasgow Herald for alleged libel because of coverage of the Daily Record dispute in Scotland. Scottish Television, the ITV contractor for central Scotland, is being sued for £1m by Mr Maxwell for remarks made on a live programme, Scottish Television intends to contest the case. The Glasgow Herald is being sued for £500,000 by Mr Maxwell for an article quoting Mr Michael Hirst, a conservative MP. This case, too, will be contested. ICI is to instal new capacity at Huddersfield to make paraquat, its highly successful herbicide, creating between 25 and 30 new jobs. Paraquat is presently made at Widnes on Merseyside and at a

number of overseas sites, the chief one being at Dayport, Texas. The Huddersfield plant will have annual capacity of 2,000 tonnes, adding over 10 per cent to estimated capacity of 15,000 tonnes worldwide. The Huddersfield project has caused local hostility, since paraquat is an exceptionally lethal poison with no known antidote. The local council gave approval to the plant two weeks ago after studying a report commissioned from a firm of chemical engineering consultants. CREDIT SUISSE, the Swiss bank, is raising its shareholding in British stockbroker Buckmaster & Moore from 29.9 per cent to 35 per cent next month. On April 14, when the bank raises its stake, a company will be created, Credit Suisse Buckmaster & Moore. The remainder of the equity will be held by existing Buckmaster & Moore partners and the partners of Harold Ratlie, a stockjobber acquired by Buckmaster. Credit Suisse announced its plans yesterday after the London stock Exchange's move earlier this month to relax its rules regarding outside ownership. HARLAND & WOLFF, the Belfast shipbuilder, emerged last night as the favourite to win a £40m naval order for which Swan Hunter of Tyne-side, north-east England, has also bid. The order is for two auxiliary oiler replenishment vessels each worth between £115m and £120m for the Royal Fleet Auxiliary. Mrs Margaret Thatcher, the Prime Minister, told north-eastern Labour MPs that unless Swan Hunter could significantly reduce its tender within the next few days, the order would go to Belfast. CAPITAL spending by manufacturers, construction, distribution and service industries rose by nearly 8 per cent in 1985, according to revised figures issued by the Department of Trade and Industry. New investment over the year totalled £18.8bn. Stocks held by the production, wholesaling and retailing industries fell by £93m in 1985, the sixth consecutive year in which they have shown a fall.

The fact is, North America is not the sure bet that some might believe. World recession has taken its toll even on markets like Canada and the USA, pushing more and more companies into serious financial difficulties. A measure of that recession can be seen in the level of claims paid by ECGD against defaults by North American companies. In the three years since 1982 annual payments have increased by a massive 86%. This volatile financial climate makes it

difficult for the exporter to predict when or if a problem will arise. It does not, however, stop him from protecting himself against the serious financial damage of not being paid. If you consider all the facts, you can't help but consider ECGD's export insurance schemes. They could make things a lot safer. For a new policy-holder with an annual export turnover of £5m, with most buyers based in markets like North America and Western Europe, a typical premium for comprehensive short-term credit insurance could be £33,000 or less.



UK NEWS

Christopher Parkes talks to a British businessman trying to change the sewing machine market

A new pattern of retailing



THERE WERE few tears last month when Singer of the US decided after 10 years of heart-searching to turn the aged parent out of the family nest. Wall Street positively cheered. The Singer share price rose almost 20 per cent as soon as New York heard that the 135-year-old sewing machine operation was to be spun off as an independent, separately-quoted business.

The move follows a series of disposals over the last decade unravelling a haphazard collection of acquisitions which had taken Singer into mailing equipment, traffic control and even venture capital. The latest development will allow what remains of the group to concentrate on its strengths in the vibrant aerospace electronics trade.

The response was equally enthusiastic across the Atlantic. "In the past we have been dealing with a company with a split personality," says Mr Doug Ash, managing director of European Home Products (EHP), an independent business which has marketing rights for Singer consumer products in a dozen European countries.

"The new company will be totally focused on the business we are in."

Even the competition was pleased. Mr Klaus Eberlein, Pfaff of West Germany, believes concentration on sewing machines by a company with such a depth of experience can only be good for the industry as a whole.

After all, Singer invented the sewing machine. Perhaps more important, the company is credited with introducing the instalment plan and franchised distribution as ways of opening

up a mass international market for what has always been a relatively expensive piece of domestic equipment.

The industry is now setting about reopening that market after a long spell of decline. Britain, Singer's first and most important overseas outlet provides a clear illustration of the twin crises which have overtaken the industry in Europe.

Unit sales of sewing machines in the UK, which peaked about ten years ago at 550,000, have fallen calamitously since the late 1970s to around 250,000 last year.

Far Eastern manufacturers, led by Taiwan, now control a good two-thirds of the remaining market. Britain's last sewing machine factory, on Clydebank, was closed by Singer five years ago.

Sales were badly mauled in the recession and are still suffering in the aftermath. Trade has been hit by a decline in sewing classes in schools, by the increased numbers of women now working outside the home (they have less time for home sewing) and by cheap imports of fashionable clothes.

The industry has also suffered self-inflicted wounds. Mr Eberlein claims that in Britain, specialist dealers were neglected as traditional suppliers followed the example of the Japanese in the 1970s. They plunged cheerfully into mass selling on price through mail order and department stores and even Singer surrendered direct control over its extensive chain of specialist shops in Britain.

Adds Mr Eberlein: "The result was people got a machine in a box with no demonstration and no service.

The customer was never satisfied."

Now, however, the trade has been given new heart by a resurgence in US sales.

Business in the US took off with the waning of recession and has been driven along briskly by the emergence of chains of home craft centres. Developed along the lines of do-it-yourself supermarkets, they sell everything for domestic crafts from candle making kits to \$1,000 sewing machines.

Mr Ash of EHP sees a similar pattern developing in the UK and possibly elsewhere in Europe.

The process of adapting the US crafts supermarket formula to European tastes began on a modest scale in Basingstoke last month, when Mr Ash opened EHP's first company-owned and operated outlet offering a broad range of craft goods. He aims to establish a core group of similar shops around the country by the end of the year and believes there is ample raw material.

"There are plenty of 'Mom and Pop' shops doing a good job, but they need grabbing and modernising," he argues.

In Britain—where Singer has seen its market share slip from over 30 per cent 10 years ago to about 25 per cent—he is starting virtually from scratch.

But elsewhere in Europe EHP has more than 300 company-owned and operated specialist shops as well as about 1,000 franchisees and independent dealers on its books.

"The basic aim is to shed the sometimes dusty image and develop a corporate retail style something along the lines of the lively chains of fashion outlets currently transforming UK shopping streets."

Whatever the result of EHP's efforts in Europe and those of the new breed of distributors in the US, virtually all the new machines sold seem certain to come from the Far East.

In the past 10 years the traumatic story of Singer's closure on Clydebank—a works which used to export almost 85 per cent of its output to the US—has been repeated all over the western world.

Europe's problems started in the mid-1950s when Brother led the Japanese charge westward. Ten years later Japan was producing 4.4m machines a year and exporting three-quarters of them.

Brother, which has absorbed the Jones brand in the advance, has some 20 per cent of the UK market and similar shares elsewhere in Europe.

Now, however, almost all Japanese branded machines are made in Taiwan. Japanese production is down to about 1.3m machines a year with 1m sold in the home market.

Pfaff's Mr Eberlein, who has worked in Germany, the US and now Britain, has monitored the change.

Mr Eberlein estimates that Far Eastern makers already hold two-thirds of the British market. Most machines sold under the top four brands in the UK—Singer, New Home, Jones Brother and Frister Rossmann—are now made in Taiwan.

British Government import statistics, although they are imprecise partly because re-export has long been a characteristic of the trade, provide clear pointers. Taiwan, which did not even appear in the official figures in 1970, last year shipped more than 100,000 machines directly into the UK. Japan sent 80,000 compared with 146,000 five years earlier.

The decline of Western manufacture over the past 10 years is well demonstrated by the experiences of Singer which in the 1970s had three factories in Germany, one in France, the UK, the Netherlands and two in Italy as well as two major US plants. Only one remains—at Monza, northern Italy.

The bulk of Singer production comes from factories in Taiwan and Brazil developed since the late 1970s. The object was two-fold: to move where labour costs were low, and to transfer production into or close to areas where sewing is still an essential domestic task and where the garment industry is concentrated.

Despite the problems of the biggest manufacturers, the European market is still stout enough to support a modest group of smaller companies in specialist industrial niches.

Pfaff's Mr Eberlein is marginally more circumspect about market prospects than Mr Ash of EHP. "Sales have been flat for about three years and this year I think they will be a little higher," he reports. At Toyota, Mr Charles Whitehart, managing director of the Japanese motor group's sewing machine subsidiary in Britain, has a markedly more optimistic—even contrary—air. "The market is fantastic," he claims. "Last year was phenomenal. Business increased 100 per cent, and we're well up on that this year."

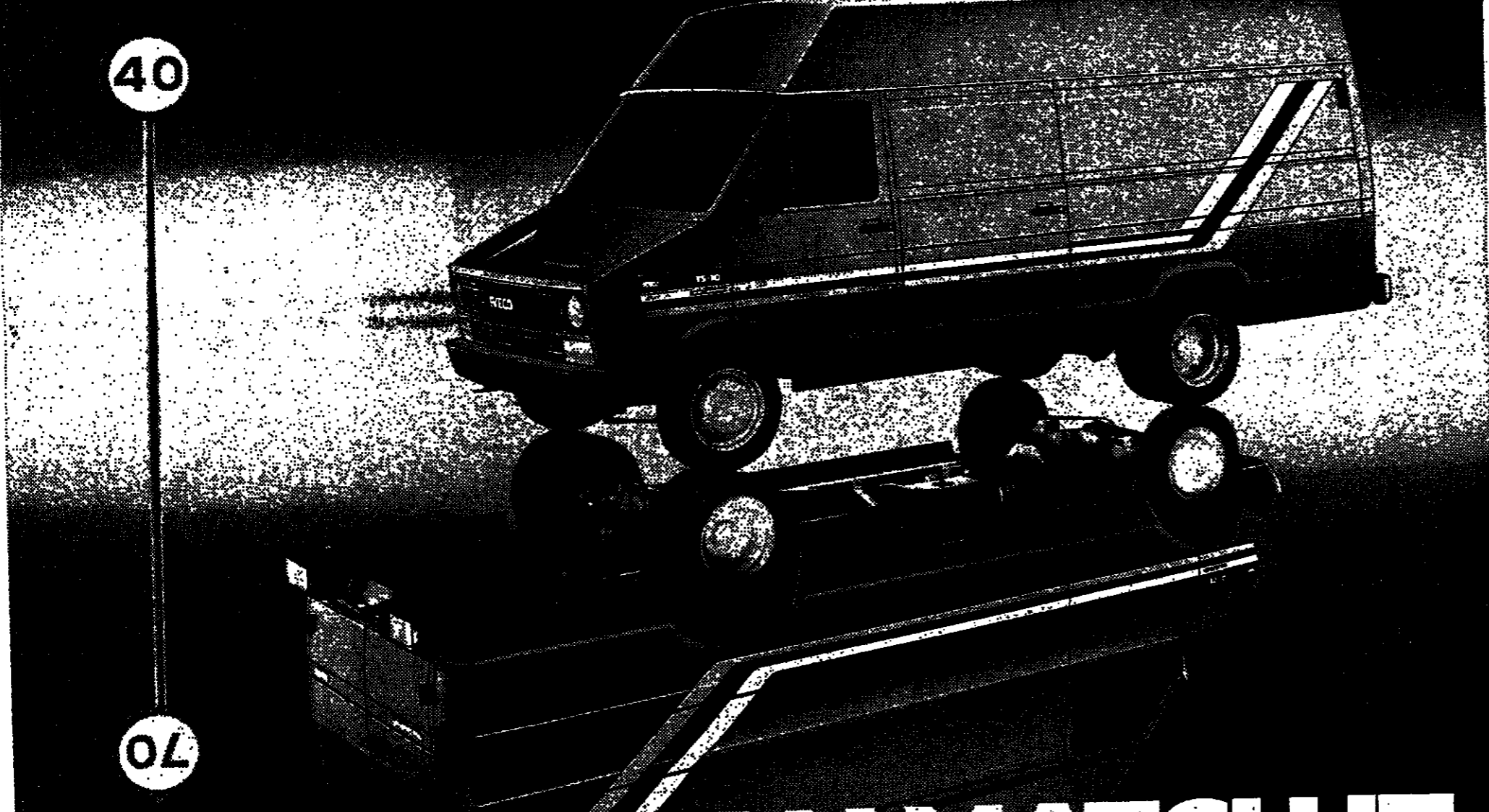
His confidence reflects the strength in depth of the Japanese manufacturers. Like Brother, Toyota has access to huge research and product development facilities in Japan.

The shifting of the bulk of Singer production to the Far East, given the need for competitive prices and the relative strength of the market in the region, fits neatly with EHP's programme to revitalise retailing in Europe.

But a question mark still hangs over the position of the sewing machine company. As Singer said when it announced the split, the remaining aerospace electronics business will probably be less vulnerable to takeover.

But the reverse is probably true of the newly independent sewing machine side. Standing alone, it will be isolated in the US, thousands of miles from its production facilities and a large part of its market. Like Jones before it, Singer's severed brand name and market share might prove irresistible to a hungry Japanese predator.

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In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from March 17th 1986 to September 17th 1986 the Notes will carry an interest rate of 5% percent per annum.

The interest payable on the relevant date, September 17th 1986 against coupon no. 1 will be Dfl. 293,89.

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NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(b) of the Notes, Citibank N.A., as Fiscal Agent, has selected by lot for redemption on April 3, 1986 US\$16,000,000 principal amount of said Notes at the redemption price of 101% of the principal amount thereof, together with accrued interest from February 28, 1986 to April 3, 1986 (32 days). The value of each Note is US\$5,000 plus interest of US\$2.78 total US\$5,102.78. Outstanding Bonds bearing serial numbers ending in any of the following two digits have been selected by lot for redemption: 02 07 09 26 31 34 37 38 39 49 58 61 68 77 82 00.

Payment will be made upon surrender of Notes together with all coupons maturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Notes. On and after April 3, 1986 interest on the Notes will cease to accrue and unmaturing coupons will become void.

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# The why behind the who, what and when.

The  
Economist

Your weekly view from London of World Affairs, Finance, Science.

es Friday March

European market is  
enough to support  
group of smaller  
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UK NEWS

Olivetti plans bigger stake in Britain

BY PETER MARSH
OLIVETTI, the fast-growing Italian electronics group, is interested in building up its stake in British technology-based concerns...

Plea for windfall oil tax rejected

BY Ivor Owen
A DEMAND by Mr Neil Kinnock, the Labour leader, that oil companies that refuse to absorb the 7.5p increase in petrol duty imposed in this week's budget should be penalised by a windfall tax was described as "a little premature" by Mrs Margaret Thatcher...

Bank may set rules for off-balance sheet risks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT
THE BANK of England expects to recommend detailed capital requirements for banks engaged in financial innovation by the end of this year, according to a discussion paper published today.

Wellcome cancels US drug launch

By Tony Jackson
WELLCOME, the drug group which made its London stock market debut last month, has cancelled the US launch of a new drug at the last minute because of side effects.

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Post offices to cash cheques

BY RAYMOND SNOODY
MORE THAN 20,000 main and sub-post offices in the UK are introducing a cheque cashing service from next month.

TOKYO TRUST S.A. FINAL DIVIDEND
A Final Dividend of U.S.\$0.08 per share will be payable on 14th April 1986 to holders on the Register on 24th March...

State Bank of India
State Bank of India announces that its base rate is reduced from 12 1/2% to 11 1/2% per annum with effect from March 19th, 1986.

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Bank of Ireland announces that with effect from close of business on the 21st March, 1986 its Base Rate for Lending is reduced from 12 1/2% to 11 1/2% per annum

NATIONAL Girobank
National Girobank announces that with effect from close of business 19th March 1986 Base Rate its base rate was reduced by 1% to 11.50% per annum

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12% % Guaranteed Notes Due 1992
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Allied Dunbar & Co. 11 1/2%
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Hill Samuel Base Rate
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Handwritten note in Arabic script: كذا في الجدل

Handwritten note: "Handwritten note in Arabic script at the top of the page, possibly a date or reference." (Note: The text is illegible but appears to be a handwritten note in Arabic script.)

UK NEWS

US retail magnet draws Dee's entrepreneur

THE ACQUISITIVE habits of Mr Alec Monk, chairman of Dee Corporation, yesterday took a surprise turn with the £720m offer for the US speciality retailer Herman's Sporting Goods.

Mr Alec Monk, head of the fast-expanding UK retailer Dee Corporation, has caused surprise by bidding for the US speciality group Herman's Sporting Goods.

and fitness among Americans makes it an ideal sector. "When Herman's became available it seemed too good an opportunity to miss," he explains.

Retailers optimistic on shop spending

By David Churchill, Consumer Affairs Correspondent BRITAIN'S retailers and other companies in the distributive trades are optimistic about the outlook for consumer spending in the shops even though sales growth in February was hit by the bad weather.

Our computers couldn't teach us fan-sett cobbling.

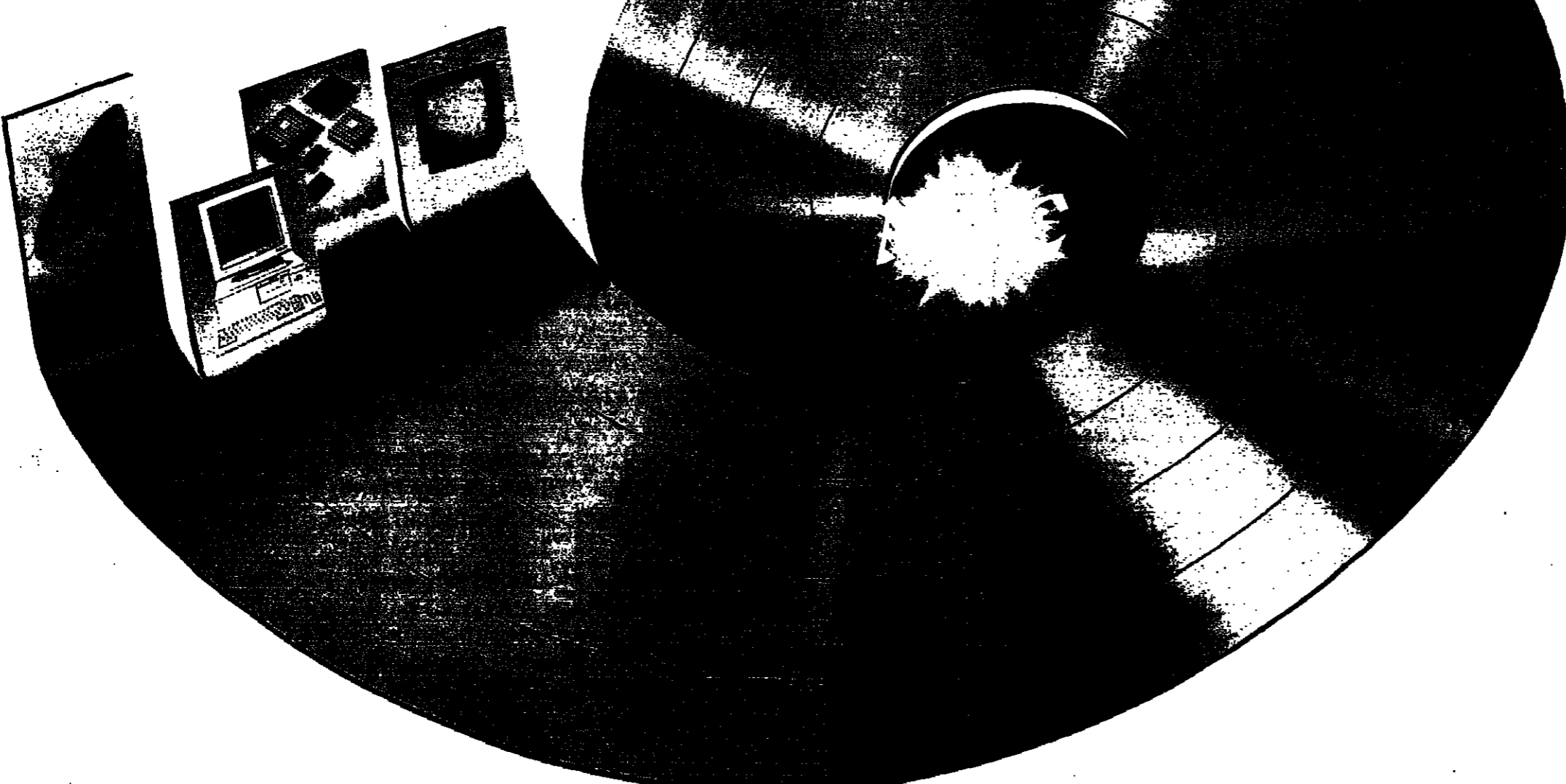


We've built power stations, hi-tech office complexes, laboratories, fast-food restaurants, factories and much more besides.

But it wasn't the hi-tech which was the challenge at Manchester Central Station: it was the low-tech. From its graceful roof, soaring 85 feet above the ground, to its brick-vaulted undercroft, nothing was ordinary about the project to restore the old railway station as a fine new exhibition and events centre for the city.



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# How survival became a 'prime motivator'

Maurice Samuelson talks to the general manager of the Kent coalfield

UNLIKE King Canute, George McAlpine has quietly subdued the tide. Not the grey waters under his Dover office window, but the financial losses threatening the Kent coalfield he has managed since the lengthy miners' strike which ended just over a year ago.

With about 1 per cent of Britain's 140,000 miners producing a similar proportion of the country's coal output, Kent provides a good illustration of how, despite the lingering post-strike bitterness, a sharp tactical sense among management can produce dramatic changes in output and efficiency.

In one of the most surprising sequels to the year-long strike, the country's smallest coalfield, with a record of intractable industrial relations, is now vying with the most profitable in the country.

McAlpine, a stocky, 56 year-old Scot, refuses to be more than moderately optimistic that this recovery will be sustained, saying it must continue for another full year before Kent's pits might qualify not just for survival but for expansion of their existing capacity.

His doubts are underlined by the continued hostility of the Kent NUM's hard-line secretary, Jack Collins, who says the NCB wants to do away with coalmining in Kent and that only extraordinary efforts by the miners, in spite of management, have prevented this from happening already.

Industrial relations are also strained by the NCB's refusal to reinstate 47 men sacked at Betteshanger on the day the strike ended.

Before arriving in Kent, McAlpine, a fourth generation miner, was chief mining engineer in Scotland where he had clearly been marked out for even greater responsibility. Kent's biggest asset has always been the quality of its coal—low in sulphur, chlorine and ash—making it particularly suitable for the steel industry, for the Blue Circle cement works at Rochester, the biggest in Europe, and power stations. But seen through management eyes, the coalfield seemed to nurse a collective death wish. It was, says McAlpine, "a challenge I could not refuse."

In his first few months at Dover, McAlpine fulfilled the Kent miners' worst suspicions

by proposing to shut Tilmanstone and Betteshanger collieries. (There was no output at the third, Snowdown, which was developing a new seam.)

The closure threats were taken seriously, he believes, because he made the individual collieries' fate interdependent and their workforce was forced to feel responsible for the survival of the coalfield as a whole.

"Fighting for survival," he adds, "can be a prime motivator."

On his arrival, says McAlpine, "the indices were rather negative." Like some of the Welsh miners, the men of Kent were not motivated by money. They shrunk from the idea of maximising production in their pits and clung to the tradition that miners should "leave a bit of coal for their sons."

## Militancy

When the strike began, the militant Kent miners were the first to walk out and were subsequently the last to go back. Their militancy dates back to the 1920s when the coalfield, the newest in Britain, was first developed. Since Kent had no native mining community, its first colliers were recruited mostly from Wales, Scotland and the north east.

More recently, McAlpine believes, local morale has not been helped by the fact that for the past decade Kent's coal industry was run as a distant outpost of the NCB's South Midlands administrative area 200 miles away.

On his arrival after the strike, the area's wage bill had been drastically reduced by voluntary redundancies which cut the manpower to 1,400. This compared with 2,300 before the dispute and a peak of about 5,000 in the 1950s, when there had been a fourth pit.

But even with this underlying financial improvement, the immediate outlook was poor. The effect of the strike had been more serious than in many other parts of the country. Five coal faces had been lost. The only production was at Betteshanger where the number of faces was cut from six to four and where, in June, management cut them to two. At Tilmanstone, it was to be three months before the first face was started.

In those three months the coalfield lost £5m, rising to £8m after six months. At that rate, it was heading for the £20m a year losses suffered in the five years before the strike.

At the end of June, McAlpine announced that, under the modified colliery review procedure, he would propose the closure of Tilmanstone, with the loss of its remaining 500 jobs.

But he gave a further twist to the knot by continuing to equip a new production face at Tilmanstone but warning that it would have to come on stream by July instead of September as originally planned. Otherwise, he would freeze further work on the face.

McAlpine saw winning over the ordinary miners—as opposed to the union leadership—as a primary challenge to front-line management. This aim is being pursued at grassroots level.

Unlike at some of the pits in Scotland, where managers are exposing miners to audiovisual presentations on the Board's objectives, McAlpine believes the Kent men would not yet be receptive to such treatment. Instead, communication with the men is carried out in frequent meetings between line managers and groups of about six men.

His management philosophy is based on what he calls "concentration" of men and equipment into the minimum number of coal faces, even though, as he recently explained in a lecture to other NCB officials, this leaves less insurance and less resilience should the system break down.

At Tilmanstone, the management's message got home. By the end of July, its new face was turning coal. "That was the first indication that the manpower—though not the union leadership—would respond," says McAlpine.

The unions immediately demanded that Tilmanstone be withdrawn from the review procedure and be removed from the threat of possible closure. But he refused, saying the change would only be meaningful after three months and the NCB would want the pit to make profits for six months before allowing him to pull it out of the review procedure.

The union leaders, he claims, only began to take his threats



George McAlpine: "It was a challenge I could not refuse"

seriously when, on Thursday October 27, he announced that he was also proposing the closure of Betteshanger.

The impact was dramatic. By the following Monday, production at Betteshanger's two faces had shot up by 60 per cent and by the end of the following week it had doubled. Last November, the pit showed a £800,000 profit, its first monthly profit ever, and it has continued to make profits in every subsequent month.

How did it happen? Since there was no alteration in Betteshanger's manning levels or machinery, McAlpine attributes it directly to the impact on the workforce of the prospect of closure.

In the past, he says, such a proposal might have triggered off a strike but in the present climate the leadership of the workforce obviously felt that the only way to offset the management decision was to put the pit beyond the closure procedure in the only other way: to provide it with the security associated with being viable.

For this reason, he was in no hurry to sheath his sword. Following the immediate improvement at Betteshanger, the unions urged him in December to pull it out of the review procedure. To their fury, he did so initially only at local level while leaving it on the table of the national body. The unions complained that such a move lay outside the agreed procedure.

When in February he finally withdrew both pits from the national review procedure, it was under a detailed agreement with the unions that they would continue to generate sufficient profit to offset the £4m a year investment at following week it had doubled Snowdown colliery.

On present performance, Kent has bright prospects. The success, however, has scarcely narrowed the gap which separates McAlpine from the local union leadership.

The only point of agreement between himself and Collins is that the coalfield seems better off managed locally than from South Midlands.

Collins says the NCB is "talk rubbish" when it claims that the damage to Tilmanstone's faces caused during the strike prevented coal from being produced there for the first five months after it ended.

He also accuses the former South Midlands-based management of having ceased production about five years ago in a profitable area of the pit and "for no logical reason"—moving to another area of unknown and speculative geology.

The NCB is hopeful that such claims no longer command the credibility of the bulk of the workforce in the Kent coalfield and that some of the other union leaders are also mellowing. But the fact that they can be made at all, and the continued resentment over the 47 sacked miners, indicates the obstacles which McAlpine still faces.

## Office planning

# Victims of 'laissez faire'

Hazel Duffy on problems of workplace organisation in the UK

HOW FREQUENTLY are you and your colleagues required to move office? Do you find that you have hardly had time to settle in to your new corner before the floor covering is lifted so that a computer terminal or some other piece of electronic office equipment can be wired in? Or that you are asked to give up your own office and move out into the open plan area because of pressure on space?

New British companies incorporate long range planning into their organisation of work-space, according to a recent survey which investigated office management techniques. Twenty-two companies took part in the survey, ranging from a finance house employing 230 to a retail and manufacturing group with 60,000 employees.

The researchers picked their companies on the basis that they are "acknowledged leaders" in their field of operation. But their operating achievements were not always matched in the office management area, and the companies themselves were aware of this fact. Some were hesitant about being interviewed, for this reason. Others which were approached refused to take part on the ground of their own inadequacies in this area.

One firm of chartered accountants, which did not take part, admitted that "the way our offices is pathetic and amateur." Most, however, were aware of the importance of well-organised offices, not only to the visitor but to the people working in them. "If the environment gets overcrowded and starts to look tatty, it affects staff morale because they feel that their work is suffering," said the manager responsible for the offices of a

rapidly expanding software house. "We are into exciting areas of technology and our offices should reflect this."

Companies with a strong corporate philosophy, or culture, were usually those with the most clearly defined procedures and standards on things such as space standards. All but three of the 22 companies had some form of space standards, some worked out strictly according to the employee's grade. The average for all the companies came out at 134 square feet for managers, 80 for staff categorised as professional, and 88 for secretarial and clerical workers. In fact, secretaries tend to have a good bit over the average (which is pulled down by clerical workers) because they have so much equipment.

New technology is one of the prime causes of pressure on office space, which is something that all companies seem to suffer. Other reasons are growth in company size—some were increasing their turnover by 20-30 per cent a year; changes in work methods, the increase in levels of interactive work increasing the demand on meeting rooms; and lack of forward planning.

Professional and support staff were found to be most vulnerable to overcrowding because they generally worked in open plan. Most managers had protected themselves with fixed full-height partitions. When people have to move out into open plan, they nearly always resist the move.

Managers, in particular, dislike open plan. But two companies—Boots and Hewlett Packard—are given as examples where thoughtful open planning, properly designed, can resolve some of the problems encountered when people want privacy for concentrated work,

while retaining the advantage of increased contact with people which springs from open plan.

Management responsibility for office organisation is spread over a broad range of individuals in British companies, making it very difficult to locate the right person at times (it can be equally difficult for the employees to know who they should be talking to). In the US, a profession—albeit a Cinderella among professional managers—is emerging known as "facilities manager."

British companies, at least for the moment, seem to prefer their methods of disparate responsibility. And the results, sometimes, are only too clear to outsiders. Walls of filing cabinets, piles of computer printouts, and a profusion of climbing plants are examples of an approach to office management described in the report as "laissez-faire".

Despite the growing importance of buildings as a place where valuable banks of equipment are housed, the response of some of those interviewed to questions on costs was remarkably amateurish.

Many of the remarks attributed to the companies, however, demonstrate that there is a growing appreciation of the benefits from comfort in the motivation of staff as well as an opportunity to project an image. It is most often apparent when a company moves into a new building, where the lay-outs have been done professionally. The study itself provides some fascinating insights into the way companies think about themselves—but it is confusingly laid out.

*'Premises of Excellence'*  
Published by Building UG Studies, 8-9, Bulstrode Place, London W1A 5FW. £25.00.

## Business courses

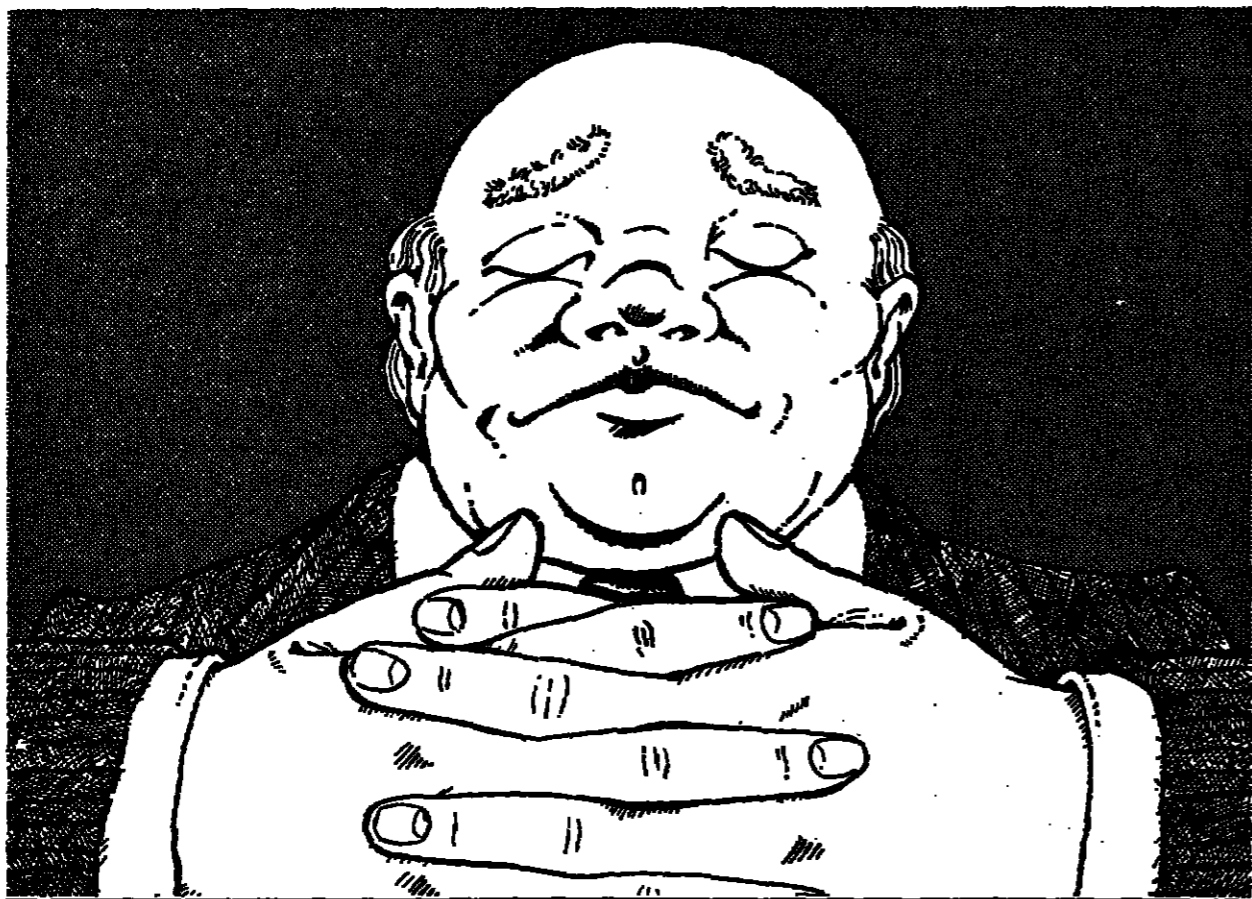
Enterprise—a learning culture? Cambridge, April 9-11. Fee: £129.95. Details from CRAC, Bateman Street, Cambridge CB2 1JZ. Tel: 0223 354551.

Profit Improvement in Financial Institutions, London, May 12-14. Fee: £385. Details from course organiser (F48), Management Development Centre, City University Business School, Frobnisher Crescent, Barbican Centre, London EC2Y 5HB. Tel: 01-920 0111 ext 288. Telex: 263896.

The informed manager, London, May 21. Fee: £207. Details from Janice Andrews, conference administrator, Management and Professional Development, The Institute of Cost and Management Accountants, 63 Portland Place, London W1N 4AB. Tel: 01-687 2311 ext 248. Telex: 25816 ICM.A.

Regulating and marketing of life assurance and unit trusts, London, April 23-24. Fee: £300 + VAT. Details from Westminster and City Programmes, Southbank House, Black Prince Road, Albert Embankment, London SE1 7SJ. Tel: 01-582 7245. Telex: 29 5555 LSP G.

The management of stress, Bradford, April 29-30. Fee: £370. Details from University of Bradford Management Centre, Post Experience Programme, Heaton Mount, Keighley Road, Bradford, West Yorkshire, Tel: 0274 42299.



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**TODAY**

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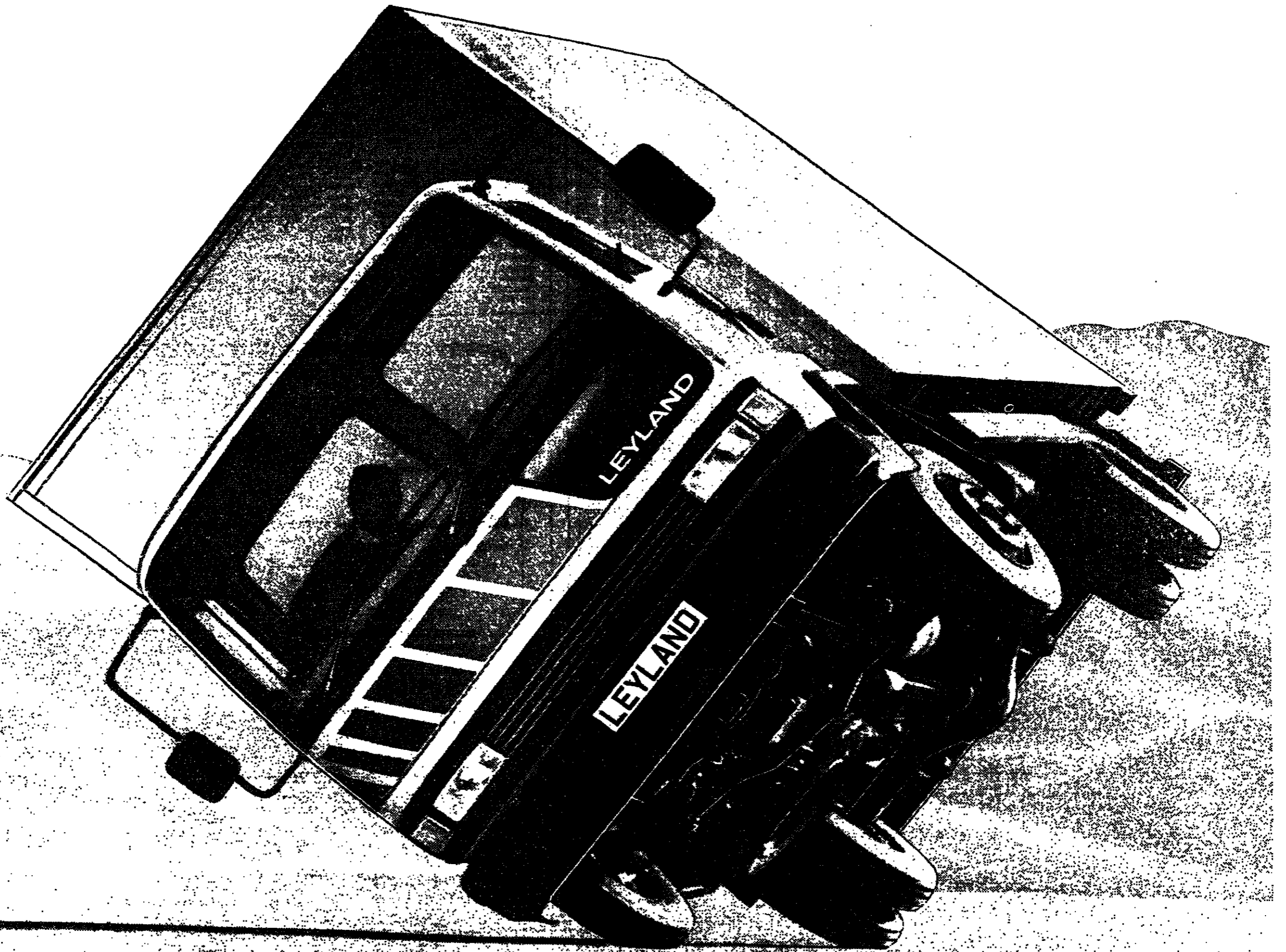
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United Kingdom

Telephone: 01-256 5276  
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# The amazing things Leyland have done with trucks.



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THE ARTS



Theatre

Amsterdam, Bellevue Theatre. English Speaking Theatre of Amsterdam with Oran's Entertaining Mr Sloane directed by Grant Coorn. All week except Mon, matinee Sun (24.7248).

London The Scarlet Pimpernel (Her Majesty's): Donald Sinden in resplendent plumage... The Scarlet Pimpernel (Her Majesty's): Donald Sinden in resplendent plumage...

taking, unmissable version of Les Liaisons Dangereuses (628.8795). Noises Off (Savoy): The funniest play for years in London...

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's roller-skating folly has 10 minutes of Spielberg movie magic...

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach...

Guys and Dolls (Prince of Wales): The 1982 National Theatre production. Richard Eyre's production and John Guter's affectionately lavish design...

Interpreters (Queen's): Love among the diplomats, according to Ronald Harwood has a superb role for the cross-cultural affair with Edward Fox...

Interpreters (Queen's): Love among the diplomats, according to Ronald Harwood has a superb role for the cross-cultural affair with Edward Fox...

Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling...

42nd Street (Majestic): An immediate celebration of the heyday of Broadway in the '30s incorporates Shuffie Off To Buffalo with the appropriate brash and leggy booting by a large chorus line...

Brighton Beach Memoirs (Aldwych): The first installment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish household where young Eugene falls awfully in love with his cousin...

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical with lyrics that reflect the current scene...

Big River (O'Neill): Roger Miller's musical comedy is a re-creation of the adventures of Huck Finn's Mississippi, which walked off with many 1965 Tony awards...

Phaedra (Arena): Elmore Riegels, who last year directed Peter Nichols' Passion Play, has taken on the Philip Barry American classic about a headstrong debutante whose society wedding draws the press to gaue (468.3306).

Opera and Ballet

London Royal Opera, Covent Garden: A new Der Fliegende Hollander, directed by Mike Ashman and with a cast led by Simon Estes...

English National Opera, Coliseum: Joseph Haydn's Puzos, conducted by Reginald Goodall, continues its run, while Madam Butterfly in its charming restaging comes to an end...

Royal Opera House, Covent Garden: The Royal Ballet rings the changes on a full set of ballets and features Giselle.

Paris L'Esclave des Jours: A world premiere, music and text by Edison Denisev, inspired by a Boris Vian novel...

Il Signor Bruschino: Rossini's one-hour opera conducted by Jerome Kaltenbach at 13.00pm at the TMR-Chatelaine (423.4444).

Vienna Staatsoper: As part of the Vienna 1986 Dance Festival the Bolshoi Ballet is performing The Golden Age...

Mal Gardée, The Nutcracker, La Bayadere and Don Quixote, The Sleeping Beauty (33.24.26.53). Volkoper: Weinsberger's Schwanda Der Dudeschnpfeiler: Der Opernball: My Fair Lady (53.24.26.57).

Berlin, Deutsche Oper: Premiering this week is Katja Kabanova, produced by Günter Krämer, with Karan Armstrong in the title role...

Frankfurt: Opera: This week's highlight is La Bohème starring Yoko Watanabe as Mimì and Giacomo Aragall as Rodolfo...

Rome: Teatro dell'Opera: Concert performance of Gluck's Iphigenie en Tauride, never before given at the Roma Opera...

Milano: Teatro alla Scala: Bellini's La Sonnambula: a production by the film director Ermanno Olmi with scenery and costumes by Mauro Falco...

Washington Chinese Ballet (Opera House): National tour of the international company. Ends March 30, (254.3770).

Jeans enroulées, Luis Lima and Nicolas Giuszoni (41.82.65). Turin: Teatro Regio: London Festival Ballet in Prokofiev's Romeo and Juliet, with choreography by Frederick Ashton...

Netherlands Amsterdam, Stadschouwburg: Netherlands Opera production of Arabella by Richard Strauss directed by Lotfi Mansouri...

Madrid, Muscorguía's Boris Godunov features Ruggero Raimondi and Stefania Teocrazia...

New York Metropolitan Opera (Opera House): The week features the first seasonal performance of Aida conducted by James Levine...

Washington Chinese Ballet (Opera House): National tour of the international company. Ends March 30, (254.3770).

Music

Paris Verdi's Le Trouvère in concert version played by Orchestre National de France with Radio France Choir conducted by Riccardo Chailly...

Orchestra of Paris conducted by Erick Leinsdorf with Jessye Norman: Beethoven's Ninth Symphony (Mon). Salle Pleyel (4561.9030).

Milano: Teatro alla Scala: Riccardo Muti conducting Schumann and Tchaikovsky (80.91.26).

Rome: Teatro Olimpico: Cleveland Quartet, Beethoven (Tue and Wed). (23.89.12).

Vienna Joan Moll, piano. Chopin, Bach, Albeniz, De Falla. Palais Palfry (82.38.81) (Wed).

Netherlands Amsterdam, Concertgebouw: The St Matthew Passion, with Meinert Boekel conducting the Netherlands Philharmonic...

London English Chamber Orchestra directed by Mitsuko Uchida, piano. Wagner and Mozart. Queen Elizabeth Hall (Tue). (929.3191).

Royal Philharmonic Society: BBC Symphony Orchestra and Chorus and BBC Singers conducted by Seiji Ozawa...

Philadelphia Orchestra and Chorus conducted by Andrew Davis. Isabel Buchanan, soprano, Alfredo Hodges, tenor...

Spain Cuernavaca - Festival of Religious Music. Monday: European Chamber Orchestra with soprano Sheila Armstrong...

Barcelona Pianist Carme Vila: Schumann, Liszt. Palau de la Musica Catalana, Amadeu Vives 1. (317.99.83) (Tue).

London Philharmonia Orchestra and Chorus conducted by Andrew Davis. Isabel Buchanan, soprano...

Amadeus Trio with Rodney Slatford, double bass and Imogen Cooper, piano. Mozart and Schubert. Barbican Hall (Tue). (538.8861).

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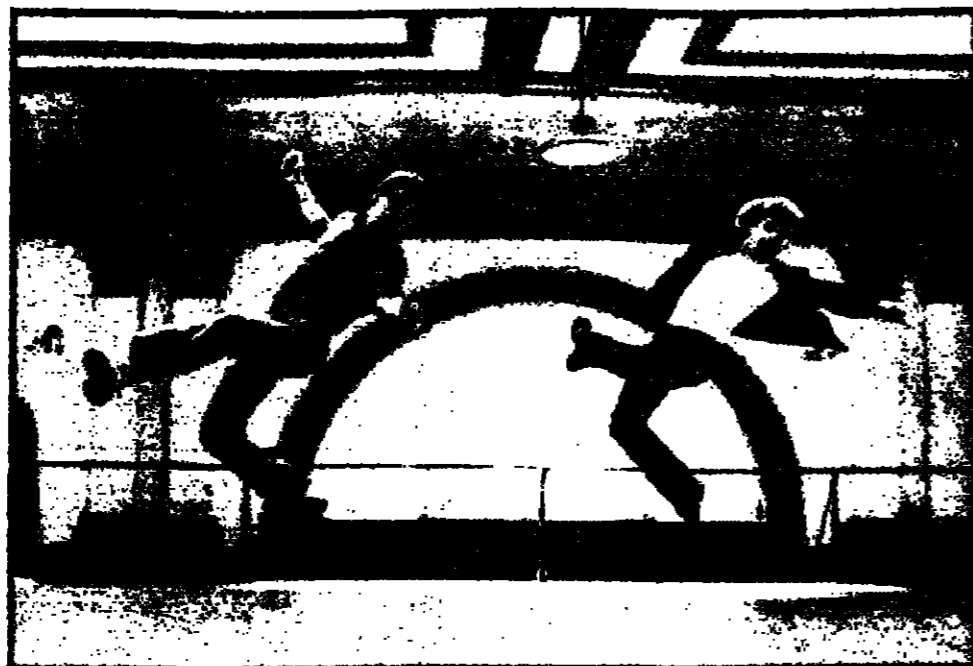
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THE EXPORT-IMPORT BANK OF KOREA. Seoul, Republic of Korea. DM 100,000,000 6 1/2% Bearer Bonds of 1986/1991. Issue Price: 100%. List of banks and agents.

THE ARTS

Cinema/Nigel Andrews

Give the dancer a script



Gregory Hines and Mikhail Baryshnikov in "White Nights"

White Nights directed by Taylor Hackford...

One of the dangers of deferring from Russia today is that you might end up starring in a Hollywood movie...

ren, who after 2010 has clearly become Hollywood's first choice for mature but sexy broads who can do a Russian accent...

almost every other player off the screen. All he needs next time is a good script. He hangs in Louisville, Kentucky, strange things are stirring in a medical supply shop...

foolishness of trying to restrain them by censorship, if you give a genre enough rope it will finally hang itself from the merry yardarm of self-parody...

flashbacks and fantasies of Vietnam collide with more home-grown shrouds the hero's mind unbidden; and so (unless we hold on firmly to our popcorn) does our own. There is little blood and no mutilation; rather a wistfulness of the mind in which the older, wiser, physical violence has been alchemised into a vivid new psychic poetry...

Also high on the American charts on my visit were new films by Paul Mazursky and Woody Allen. Mazursky's Down and Out in Beverly Hills has been the most successful Hollywood comedy since that other film with Beverly Hills in the title...

After Aida succeeds where Café Puccini fails. It rises above the potted biography and songs from the shows format to say something interesting—in a theatrical form—about Verdi and Boito between the opening of Aida in 1871 and Otello in 1887...

By contrast, Woody Allen's Hannah and Her Sisters is a controlled and hideously masterpiece. An assortment of characters related by blood or marriage — and played by a stellar cast including Michael Caine, Mia Farrow, Max Von Sydow, Sam Waterston and Allen himself — slalom about New York exchanging wisecracks, profundities and nervous breakdowns in the true, irresistible Allen manner...

After Aida/Old Vic

Michael Coveney

After Aida succeeds where Café Puccini fails. It rises above the potted biography and songs from the shows format to say something interesting—in a theatrical form—about Verdi and Boito between the opening of Aida in 1871 and Otello in 1887...

Julian Mitchell's music drama (by Verdi and a tiny, grim bit of Boito's Mephisto) for Welsh National Opera uses the 16 year gap to compress arguments about the old Italian opera and the new music drama of Wagner. Verdi has had enough of the critics who say he cannot write for singers...

bird-like peasant of Sant'Agata, stirs to agitated, newly creative life. Mr Mitchell invents no fact. As well as the insult, the drained and tyrannical Strepioni of Gemma Jones bemoans the platonic unending affair with Stolz ("That Teresa is a little cryptic for nonni's) uses the stalking of the maestro with the code-named "Choccolate project" as net to snare him again. Riccardo's patience is here hilariously complemented by the evidence of the feast — like Strepioni, he has one single, elegantly constructed monologue...

The first half ends with a comic opera version of Verdi's Act 2 finale, and the operatic transition then paved with a wonderful torchlit second half opening of Lady Macbeth's terrible scene, thrillingly sung by Christine Peare. Miss Peare is joined by three other Welsh National singers — mezzo soprano Wendy Marco, tenor John Harris and baritone Henry Newman (with four alternating colleagues). Their function admittedly is demonstrative, but they inhabit the spirit of the play's argument in their notably fine singing until the final scene of Otello, muscularly and passionately performed, clamors for the return of Verdi's comically gestural demands for complete naturalness on stage — "I hate operatic acting," screams Mr Griffiths, fit to burst and puce with rage. Whereas Café Puccini was low in judging cultural self-congratulation, After Aida transcends the dangers of snipet and sing-it cabaret time. The set by Bob Crowley is a stage-full of red plush theatre seats raked up and away from the audience on which the cast loit, smoke and read while awaiting the next cue and the next opera. This waiting game is itself a visual annotation of the text. Malcolm Storry's flinty, calculating and shambling Riccardo leading the "Granny's footstep" charade. My one reservation might be that Gemma Jones looks too much how I would expect Strepioni to look. The others are all cheerfully inverted, surprising and outrageous versions of the models. The lighting, very good, is by Jeff Beercroft and the expert zesty piano accompaniment is by Martin Adick. As a member of the underprivileged majority yet to catch Peter Stein's WNO Otello, I would be surprised if Mr Stein's staging of the Otello is not too much shamed in the comparison. The evening ends on a humorous bustle of suggestion for a comic opera, teasing fairies retreating to the wings while Mr Griffiths, Falstaffian at last, revolves in a blistering attack of confused non-operation. It is a brilliant stroke of invention.



Malcolm Storry, Ian Charleson and David Lyon

La finta giardiniera/Bloomsbury

Rodney Milnes

In following last year's staging for Cato of Mozart's La finta giardiniera (1768) with Wednesday's production of La finta giardiniera (1775), the Park Lane Group have clearly demonstrated the process of genius emerging from the chrysalis of (admittedly superior) routine...

Violante and Louise Winter's bossy, vibrant and secure Arminda. Richard Berkeley Steele (Belford) needs only a touch more brilliance and confidence to be a valuable Mozart. The latter quality remains elusive in the semiseria libretto now attributed to Giuseppe Petrosellini. There are layers of irony and role-playing to be separated and clearly put across. The music remains in the direction of a different league from his flouncy Finta semplice last year, there were times when he laid too heavy a hand on the action...

There are further performances tonight and tomorrow well worth a visit to reassess a work two-thirds of which are genuine, copper-bottomed Mozart, a commodity of which one cannot have too much.

There are further performances tonight and tomorrow well worth a visit to reassess a work two-thirds of which are genuine, copper-bottomed Mozart, a commodity of which one cannot have too much.

Missa Solemnis/Barbican Hall

Dominic Gill

Praise for "authentically" sized performances of 18th and 19th century music is now so much the norm that many readers will no doubt have tired of it. But on occasions it still deserves repeating — for no better reason than that monstrous performances of works profoundly ill-suited (acoustically, texturally and musically) to the large scale of their presentation are still remarkably common...

Baal at Leicester

A new translation by Christopher Logue of Bertolt Brecht's first play Baal opens on March 24 at the Leicester Haymarket Studio, directed by Nancy Meckler.

It is not a matter of academic pedantry; those notes, counterpoints and textures are important and the sense of the music as often as not relies upon their clarity. Wednesday evening's account of the Missa Solemnis by the English Chamber Orchestra under Jeffrey Tate was very fine: but it was notable too for a transparency and clarity of texture which would have been impossible to achieve with larger forces. Paradoxically, the more textures and buoyancy the better. Paradoxically also, a broader sense of contrast to the performance: the decibels of the Quoniam and Amen of the Gloria may have been objective, but subjectively they blaze as far more brilliant...

Shostakovich/Elizabeth Hall

Andrew Clements

The lives of great composers are inevitably hedged about with myths and uncertainties; the essence of the man seems almost sure to evaporate before a definitive biography can be assembled. In the case of Shostakovich the moment for an entirely truthful portrait seems already to have passed; the mixture of hard fact and fuzzily defined autobiography, published by Solomon Volkov as Testimony, clouded the issue almost immediately...

A Foreword to my Complete Works and a Short Reflection on this Foreword, Op 123, but reserved his most impassioned singing for the Michelangelo Songs, for which he was joined by Dmitri Alexeev. It is hard to think of a song-cycle since Schoenberg that comes near to the range and achievement of Shostakovich's last major work. As Shirley-Quirk and Alexeev demonstrated it contains a range of expression that, for all its pervading bleakness, is surprisingly wide. The piano writing alternatives brusque block chords with lonely unaccompanied lines and wistful figuration; the vocal line ranges from recitative to hobbled ariso. The characteristic Shostakovich lapse into bathos for the final song, the verses of "Immortality" delivered over a pathetically banal melody, descends like a thunderbolt. Shirley-Quirk seemed completely absorbed by the mood and substance of the songs; Alexeev contributed piano playing that tangled with vert. John Shirley-Quirk sang the Pushkin songs, as well as the late and acidly satiric

Continued from Page 18 Academy of St. Martin-in-the-Fields directed by Kenneth Sillito with Anja-Maria Cigull, piano. Queen Elizabeth Hall (Thu).

NEW YORK New York Philharmonic (Avery Fisher Hall). James Conlon conducting. Salvatore Accardo viola. Copland, Paganini, Prokofiev (Tue); Raymond Leppard conducting. Sibelius, Debussy, Haydn, Copland, Mendelssohn (Thu), Lincoln Center (8742424).

NEW YORK Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Europe, shows a variety of the holdings, like a French Rococo carriage, fireworks, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Francis Bacon's. Ends May 1.

WASHINGTON National Symphony (Concert Hall): Michael Tilson Thomas conducting. Marcus Thompson viola. Telemann, Mahler (Tue); Mistislav Rostropovich conducting. Isaac Stern violin. Schoenberg, Dutilleul, Tchaikovsky (Tue). (247459).

CHICAGO Orchestral Hall: Daniel Barenboim piano recital. All Beethoven programs (Tue, Thu); Orchestre Symphonique de Montreal, Charles Dutoit conducting. Yefim Bronfman piano, Mendelssohn, Beethoven, Debussy, Ravel (Wed). (235811).

ROME Museo Correr: 127 drawings from the rich collection owned by the museum, from the 15th to the mid-19th centuries, includes Guardi, Canova, Canaletto, and Tiepolo, as well as lesser-known artists. Ends April 17.

Saleroom/Antony Thorncroft Victoriana in vogue While the Royal Academy turn to the National Library of Scotland of a complete 41 volume edition of the Waverley Novels by Sir Walter Scott...



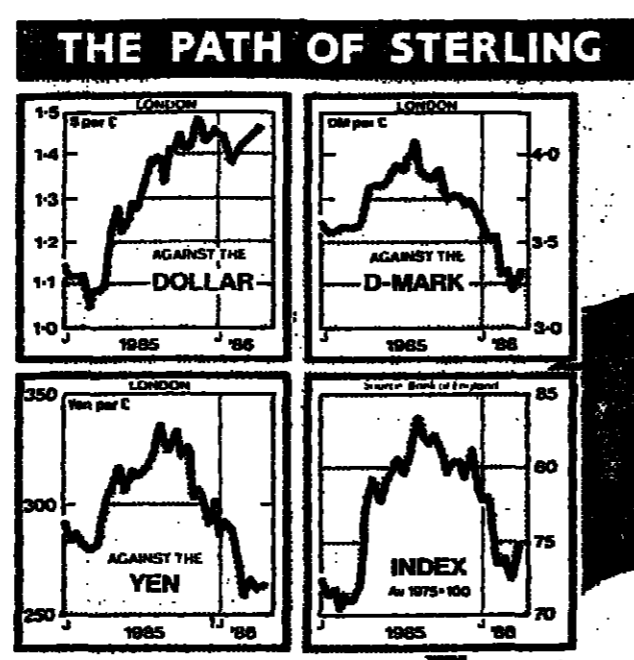
POLITICS TODAY

Gambling for a third term

By Malcolm Rutherford

CHANCELLOR LAWSON said that his third Budget was produced...

renegotiate it, would be taken very seriously. This would be...



NIGEL LAWSON

that when it is launched in January next year the stock market may be falling from its...

The Chancellor got his comeback from the oil companies. He challenged them not to pass...

Lombard

Nanny always knows best

By Michael Frowse

WHATEVER happened to the ideal of fiscal neutrality? Two years ago, an appreciation of the merits of a level fiscal playing field...

clearly "good things" the Chancellor would be falling down on his duty if he did not vigorously promote them.

Fallibility

The net result of decades of concessions is an incredibly complex tax code that acts as a drag on the economy.

Tinkering

Now, some of the changes or mooted changes—for example the clamp-down on American tennis champions—will be justified as necessary to "get into line" with international practice.

Pension fund surpluses

From Mr T. Ross Sir,—The Inland Revenue's statement on pension fund surpluses...

Letters to the Editor

encies. There are funds still in deficit position today. A natural and logical parallel with the surplus proposals would be this.

Freedom for tourists

From the Chairman and Managing Director, Richmond Gate Hotels Sir,—With over 12m visitors to Britain every year...

US negotiations with Japan over semiconductor trade

From the President, Semiconductor Industry Association Sir,—As president of the trade organisation which represents US-based semiconductor manufacturers...

US negotiations with Japan over semiconductor trade

The US government last June. The primary issue SIA raised in its petition is that the Japanese market continues to remain closed to the semiconductor products manufactured by other than domestic producers...

Freedom for tourists

From the Chairman and Managing Director, Richmond Gate Hotels Sir,—With over 12m visitors to Britain every year, tourism is vital to the national economy.

US negotiations with Japan over semiconductor trade

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US negotiations with Japan over semiconductor trade

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Advertisement for Scania trucks. Features a large image of a truck and text: 'Some trucks are more equal than others. Scania have never been tempted to compete on cost alone. Trying to equal some of today's truck prices would mean sacrificing too many of our principles...









INTL. COMPANIES & FINANCE

Den norske Creditbank achieves record year

BY FAY QJESTER IN OSLO

DEN NORSKE Creditbank, (DnC), Norway's largest commercial bank, reports high activity, strong growth and record profits in 1985 and forecasts a satisfactory result this year.

100 per cent owner of two foreign banks - Ship Mortgage International Bank Amsterdam and Nordic American Banking Corporation, in New York, in which it had previously held minority stakes.

VDO plans German market flotation

By John Davies in Frankfurt

VDO Adolf Schindling, a long established West German maker of control and information systems for vehicles, is launching its shares on the stock market.

The family-owned company, which increased its sales by 15.4 per cent to DM 1.72bn (\$765m) last year, is the first major newcomer to the bourse this year.

ASEA Aktiebolag Västerås, Sweden

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders will be held in Västerås in the Prisma Cinema, Stora gatan 21 at 11.00 am, Friday, April 4, 1986.

The agenda will include customary items stipulated in the Swedish Companies Act and the Articles of Association and the following proposals from the Board of Directors:

1. The Board proposes that the share capital shall be increased from 2 billion Kronor to 3 billion Kronor through a bonus issue effected by a revaluation of shares and buildings.

2. The Board proposes that holders of free A-shares shall be entitled to have such shares exchanged for free B-shares during such time in 1986 as to be decided by the Board.

At the Meeting everyone entitled to vote may do so for the full number of shares he owns or for which he has the right to vote as the representative on behalf of the owner or owners.

Shareholders wishing to participate in the Meeting must be recorded in the Share Register maintained by Vardapprecentralen VPC AB (Swedish Securities Register Centre) no later than Tuesday, March 25, 1986 and must also notify the Board of Directors, either in writing under the address ASEA AB, Legal Department, S-721 83 Västerås, Sweden or by telephone (021-10 54 00, no later than 12.00 noon, Tuesday, April 1, 1986.

Shareholders whose shares are held in trust by banks or other trustees must temporarily re-register the shares in their own names no later than Tuesday, March 25, 1986, in order to be eligible to vote at the Annual General Meeting.

Dividend payments The Board has proposed Wednesday, April 9, 1986, as the record day for the dividend. If the proposal is approved by the Annual General Meeting, it is expected that the dividend payments will be mailed by VPC on Wednesday, April 16, 1986.

Västerås, February 1986 By order of the Board



Superdrug

PRELIMINARY RESULTS

Table with 3 columns: 1985, 1986, 1985. Rows include Turnover, Trading Profit, Net Interest Received, Net Profit before tax, Taxation, Net Profit after tax, Final Dividends, Earnings per Share, Fully Taxed Earnings per Share.

- Turnover increased by 27.25%
Trading Profit increased by 25.63%
Proposed final dividend of 3.0p (interim 2.0p) Total for year 5.0p (1985 - 4.2p)
Own label products 30% of turnover
43 new branches opened including 3 in Scotland
254 stores now trading

A most exciting and rewarding year, both in terms of profitability and future opportunities. Our new 200,000 sq. ft. Northern Regional Distribution Centre opened on time, and began servicing 50 stores in the North of the country in September. The development cost a total of £7m and will service eventually 350 stores, whilst our Croydon depot can service 230. Despite the substantial start up costs of the additional warehouse we nevertheless achieved a trading profit increase of 25.63%. This was only made possible by a further tightening of all systems, and by the superb efforts put in by all our staff. The foundations are now laid for us to increase our expansion programme right across the country, with a view to doubling our size within the next 4/5 years.

Storebrand Norden profits drop

BY OUR OSLO CORRESPONDENT

STOREBRAND NORDEN, Norway's largest insurance group, reports a sharp fall in profits last year, compared with 1984, and is recommending a dividend of Nkr 10 per share, compared with Nkr 13.

and before allocations to risk equalisation and provision for bad debts, dropped to Nkr 217m, from Nkr 337m.

Pequiven to spend \$1.6bn by 1991

By Joe Mann in Caracas

PEQUIVEN, the Venezuelan government-owned petrochemicals company, has announced a \$1.6bn investment programme for 1986-91.

1985 HIGHLIGHTS

Table with 3 columns: 1985, 1984, 1985. Rows include Crude oil (million barrels), Gas (billion cubic feet), Turnover, Operating profit, Net interest (payable)/receivable, Profit on ordinary activities before taxation, Dividends, Amount set aside to reserves, Earnings per share, Dividend per share, Funds generated from operations less tax paid, Additions to fixed assets.

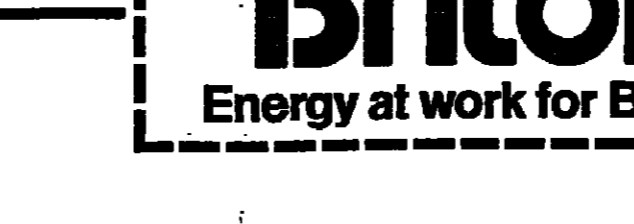
Turnover increases to \$1,799.6 million. Revenue from equity production at \$1,467.8 million is up \$132.4 million (10%) on 1984. The remainder of the increase is due to sales of purchased petroleum at \$331.8 million (\$213.2 million in 1984).

Acquired interests in 23 UK landward licences, including the Humby Grove oil field, and 3 UK offshore licences, including the Glenm field, from Hadson Petroleum International plc.

Capital expenditure increased by 6% to \$545.8 million, of which \$388.4 million related to the UK. Within the total, exploration accounted for \$255.2 million, the UK portion being \$183.2 million.

The Annual Report will be despatched at the beginning of April and will include the Notice of the Annual General Meeting, which is to be held at 2.30pm on Friday 25 April 1986 in the Douglas Suite, the Albany Hotel, Douglas Street, Glasgow.

For a copy of the Report please complete and return the coupon to the Company Secretary, Britoil plc, 150 St Vincent Street, Glasgow G2 5JL. Existing shareholders will receive the Report shortly.



Energy at work for Britain

Norsk Hydro to build Dutch ammonia plant

BY OUR OSLO CORRESPONDENT

NORSK HYDRO, the Norwegian industrial and energy group, is to build a 600,000 tonnes a year ammonia plant in the Netherlands, at the Sluiskil site of its Dutch offshoot, NSM. The new plant, called Ammonia E, will come on stream at the end of 1987 and will cost an estimated Nkr 1bn (\$140m).

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Västerås, February 1986 By order of the Board



Energy at work for Britain

DAIWA EUROPE LIMITED JAPANESE EQUITY WARRANTS SERVICE

Table with columns: Issuer, Warrant, Current Market Price, Other Calculations. Lists various Japanese companies and their warrant details.

Kay Capital N.V.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 11.04 of the Indenture dated as of November 15, 1982, between Kay Capital N.V., Kay Corporation, as Guarantor, and European American Bank, as Trustee, the conversion rate has been adjusted as a result of a 5-for-4 Common Stock split distribution paid by Kay Corporation on March 21, 1986.

The adjusted conversion rate is 46,382.1 shares of Common Stock for each U.S. \$1,000 principal amount of Debentures.

KAY CORPORATION BY: Murray Ackerman, Vice President and Treasurer

Notice of Early Redemption The Saitama Bank, Ltd.

US\$20,000,000 Callable Negotiable Floating Rate Dollar Certificates of Deposit Due 30th April 1987

Korea Exchange Bank

£50,000,000 Floating Rate Notes due 1985 In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 17th March 1986 to 17th June 1986, the Notes will carry an interest rate of 12 1/2% per annum.

Agent Bank: Loyds Merchant Bank



INTL. COMPANIES & FINANCE

Norsk Hydro blows hot in gases

NORSK HYDRO, the Norwegian industrial group, is so dominant in a few key sectors—fertilisers, offshore petroleum and light metals—that its successes in other areas are sometimes overlooked. Few outside Scandinavia are aware, for instance, that the group has recently expanded strongly into industrial gases—buying capacity in Sweden, Denmark and Finland, building up its own production, distribution and research, and fighting a boisterous price war with AGA of Sweden, the Scandinavian market leader.

Through three acquisitions since 1980, combined with exports, it already supplies 35 per cent of the market for carbon dioxide in Norway, Sweden, Denmark and Finland. This is only a niche, accounting for 10 per cent of the total Nordic industrial gases market. But Hydro is building up sales of other gases within Norway and is poised to expand abroad—initially in Scandinavia, eventually in many of the countries where it makes ammonia, as part of its fertiliser production. Its total 1985 gas sales were worth Nkr 300m (\$42.8m). This is 20 times the level of six years ago.

"We can make all the 'air gases' (nitrogen, oxygen, argon) as we expand our fertiliser activity outside Norway," notes Mr Erik Syrtstad, head of Hydro's industrial chemicals division.

Hydro is a relative newcomer to the marketing of industrial gases. For decades it has been making a number of them as by-products of its chemical activities—particularly at its air separation plant in Rjukan, eastern Norway. Until recently, however, it sold most of its output to other gas companies.

The decision to go for direct sales of a wide range of gases was taken in 1982. A distribution network was established throughout Norway, and at the same time efforts were intensified to find new applications for certain gases, thus boosting sales to existing customers, as well as winning trade from competitors. Some gases which Hydro does not make itself—like acetylene—were purchased from other suppliers, so that a complete product range could be offered.

Hydro claims to have increased its share of the total Norwegian market for industrial gases from 20 per cent at end-1983 to 30 per cent in 1984 and 40 per cent at the end of 1985—mainly at the expense of AGA Norgas, the Norwegian offshoot of the big Swedish group.

Mr Syrtstad puts the value of this market at about Nkr 340m in 1985. Mr Lennart Selander, managing director of AGA Norgas, disputes Hydro's claim to a 40 per cent Norwegian market share, suggesting that 30 per cent might be a more accurate figure—but of course a lot depends on how you calculate the totals.

He concedes, however, that Hydro is a competitor to be reckoned with, and says there has been "a real price battle" in progress since Hydro entered the wider industrial gases market in Norway.

The battle for market has recently heated up. Last month AGA Norgas formally opened an 8,000 tonnes per year carbon dioxide plant, built in co-operation with Borregaard, the Norwegian industrial group. The facility, which the company describes as "Norway's most modern plant, will purify carbon dioxide given off by fermentation vats at Borregaard's distillery in Sarpsborg, east

four Nordic countries. It is active in 15 nations, in many of which it is either the largest single supplier, or comes second or third.

Mr Syrtstad foresees Scandinavian over-capacity in the air gases, as well as in carbon dioxide, for some time to come. But the market is growing fast, he points out—for carbon dioxide and nitrogen by 20 per cent annually, for argon by around 25 per cent, for oxygen by just under 20 per cent.

Much of this growth reflects new applications. Mr Syrtstad describes Hydro's strategy for growth in Scandinavia as three pronged. Improving distribution, and stepping up research into gas use are two elements. The third—despite the general over-capacity—is construction of new plant.

"We may well build air separation plants to serve the local market in certain areas of Norway, Sweden and Finland. We are studying several possibilities, but nothing has



Mr Erik Syrtstad: three-pronged strategy for growth

Norway's sector of the North Sea. The seabed is sinking beneath the central part of the field, threatening the safety of its platforms, and nitrogen injection on a massive scale is one way in which the subsidence may be countered. At present it is being curbed by reinjection of about a quarter of the field's own gas output, thus sharply reducing the amount available for sale. Hydro is a partner in the group of oil companies, led by Phillips Petroleum, of the US, which are licensees on Ekofisk.

Originally Phillips considered building the nitrogen plant offshore, on its own platform. Now opinion is moving in favour of a land-based facility, which would be considerably cheaper, with a pipeline to take nitrogen out to the field. The line would be a long-term investment. It could eventually be used to bring gas or oil ashore.

According to Mr Syrtstad the plant—which may cost Nkr 1.2bn—could be located in Britain, on the Continent, in Denmark or in Norway. A requirement will be the availability of enormous amounts of electric power—it will use about 250 MW annually. As well as nitrogen it could produce the "rare gases": argon, krypton, helium and xenon.

Normally, air separation plants also produce oxygen for sale. However, says Mr Syrtstad, the market just does not exist for the quantities of oxygen that a plant of this size would yield, so the equipment for oxygen recovery will probably not be installed.

Fay Gjester on the success a Norwegian energy group is having in transforming a one-time sideline into a major business

Norway. Its capacity almost matches Norway's present annual consumption of carbon dioxide.

"In the market for other gases, where we are biggest, Hydro has been pressing us," says Selander. "To date they have had a monopoly of carbon dioxide production in Norway, so now we are going to challenge them."

AGA expects to face increased competition from Hydro in the rest of Scandinavia, but believes it can hold its ground. "In Norway Hydro has the advantage of being Hydro. Sweden will be a tough market to break into. There, AGA has the advantage of being AGA."

The whole Nordic market—presently dominated by AGA—is valued by the Swedish concern at between SKr 1.5bn and SKr 2bn yearly. The company will not put a precise figure on its Nordic market share, but says that world-wide, it sold industrial gases, related equipment and services worth SKr 4.2bn in 1984. Outside the

been decided yet. The fact is that there are limits to how far one can ship liquid gases. Shortages could develop in certain areas.

Hydro is enthusiastic about its future in industrial gases. The activity yields production benefits because the gases are a by-product of the group's existing processes. In addition, it offers good profits—"steady, if not spectacular."

"Because it serves so many different users, you don't have the demand fluctuations experienced in some other industrial sectors—it is a stable element in a portfolio of products," says Mr Syrtstad. As well as planning new facilities to supply industrial users, Hydro is considering participation in a consortium which could be established to build the world's largest air separation plant, with a daily output of 15,000 tonnes of nitrogen—roughly equivalent to what Norway uses annually.

This huge volume may be needed for injection into the Ekofisk oil and gas field, in

Latest prices:

At last some help for the hard pressed Imperial shareholder. Mindful that share prices can vary daily, we are publishing a bulletin showing the value of each of the offers for your company. In order to be perfectly fair, the values we've quoted are based on the best possible offers. Hanson's offer closes at 3pm on March 24th.

HANSON BID WORTH:

**376.0p**

UNITED BISCUITS BID WORTH:

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HANSON BID BETTER BY:

**+39.5p**

Figures based on the market prices at 3.30pm on Thursday.

HANSON TRUST CONTINUING GROWTH FROM BASIC BUSINESSES.

The values of Hanson Trust and United Biscuits' offers depend on their respective share prices. The above offer values are for Hanson Trust's Share and Convertible Stock. Election and Issued Securities. The offers also take account of companies by their lowest bid of the values of the offer in question, share prices, of the 10% convertible loan stock of Hanson and the convertible preferred shares of United Biscuits.

EXTRACTS FROM THE REVIEW BY THE CHAIRMAN, MR. R. C. SMITH, TO BE PRESENTED AT THE ANNUAL GENERAL MEETING ON 25th MARCH 1986.

**General**  
The Group has continued its impressive growth and total assets under its management now exceed \$10 billion. This growth is not confined to any one country, as the following table shows:

TOTAL NEW PREMIUMS FOR INDIVIDUAL BUSINESS	UK (\$m)	Republic of Ireland (Ir \$m)	Canada (\$m)
1983	149	48	57
1984	192	118	90
1985	322	190	150

A large part of the increase is due to sales of individual pensions policies and immediate annuities, while the sales of endowment assurances related to house purchase have remained at a high level.

Last year's figures were boosted by the reform, scotched in the Budget speech, that tax relief would be restricted. Current proposals to allow personal pension provision to those already in, or who would otherwise join, group schemes will stimulate even greater demand. In restructuring the sales and administration of our pension business, so that they are now integrated with their life assurance counterparts, we shall be facing that future business all the more effectively.

We must also anticipate that the life assurance industry will face growing competition from banks and building societies in markets which were traditionally regarded as the province of life assurance companies. Standard Life, however, is well placed to compete and to continue to expand in the changing markets of the future. For example, in extending our range of financial services we plan shortly to launch a range of unit trusts.

**Pensions**

In the last two years' reviews comment was made on the Government's plans for pensions. A comprehensive Green Paper "Reform of Social Security" was published in June 1985. This document suggested a major change to the State Pension Scheme—namely that the State Earnings Related Pension Scheme (SERPS) should be phased out. This aroused so much critical comment that the White Paper "Reform of Social Security Programme for Action" published in December 1985 proposed not to abolish, but only to curtail, SERPS. It is reassuring that the Government had listened to and acted upon reasonable criticism.

While stability is of paramount importance, a close second is the objective that the pension ultimately provided by whatever means should, as far as possible, meet each individual's needs. In the vast majority of cases that need will be for a pension related to earnings just before retirement. This is best provided by a final salary scheme where the benefits are defined as a proportion of salary near retirement, the basis of the majority of schemes in force at present. It is therefore worrying that, throughout the White Paper, there is an emphasis on money purchase provision, inescapable in the personal funding of pensions. There is a delicate balance to be kept. While more personal provision through additional voluntary contributions and by the self-employed is to be encouraged, a switch from final salary schemes to money purchase, for either scheme or personal funding, would be a backward step.

One Procrustean suggestion in the White Paper is that "for pensions intended to replace provision by the

ASSETS NOW EXCEEDED £10 BILLION.

state, there should be equal annuities in return for equal contributions regardless of sex and marital status." There is no getting round the fact that women live, on average, longer than men. Hence more money will be needed to provide a pension of £1,000 per annum for a group of women while they are alive than is needed to provide the same pension for a similar group of men. Legislation cannot change that fact and should not attempt to do so.

**Financial Services Bill**

The publication of the Financial Services Bill marks the penultimate stage in the progress of "protection of the investor" which started with the commissioning of a report by Professor Gower in 1981. The legislation proposed has, by and large, had the support of the insurance industry. As far as we are concerned the major impact will be on the methods we use to obtain new business.

There are signs that there will be a clearer distinction between those who sell on behalf of one office, and whose advice is directed only towards the type of contract, and independent intermediaries who have a

duty to advise also on the choice of insurance company. Commission is an important element in the selling process. Just over three years ago the Commission's Agreement of the Life Offices Associations ceased. In its place a new agreement is developing under the auspices of ROLAC (Registry of Life Assurance Commission) which has the support of a majority of the industry. It is expected that this will be incorporated in one of the self-regulatory organisations, LAMTR, the members of which would be life assurance companies (LA) and unit trusts (UT). When this comes about, it will be easier to maintain a situation in which, in a majority of cases, commission plays no part in choice of insurer and the amount of commission paid will be under control.

Another aspect of the control of selling is the licensing of salesmen. We think that whatever system, if any, is finally adopted, the important aspect is that each employer of salesmen takes responsibility for his actions. The detailed rules produced by LAUTRO must be ultimately acceptable to the Government who have delegated this responsibility to the Marketing of Investments Board Organising Committee (MIBOC).

We welcome MIBOC's logical approach which defines intermediaries either as representatives of one office or as independent.

**Investment**  
People who own their homes are more likely to look after them than tenants and those who own shares are much more likely to take an interest in how companies operate and in their future prosperity. For those reasons, if for no other, the Government's encouragement of property and share ownership is to be supported.

It is one thing for someone to invest whatever savings may remain after he has made provision for requirements of his mortgage, life assurance cover and his future pension. It is another for him to expect that personal investment, even with the advice of experts, can ensure an adequate level of pension on retirement and real hardship to many individual savers could result. It must be sensible, in the future as in the past, for the small investor to place his savings with an institution, whether it be in a with profits endowment assurance, a unit trust, investment trust or a loan managed by an insurance company. Few individuals will have bettered the performance of Standard Life funds.

**Valuation and Bonus**  
The favourable investment conditions over the year have allowed us to retain our high rates of reversionary bonuses for individual business and to increase yet again our terminal bonuses both in the United Kingdom and in Ireland.

We have also declared substantial increases in our group pension bonuses. In declaring these reward bonuses we have at the same time maintained the considerable strength of our valuation basis. Few companies, if any, will be able to match these results and more can match our consistently good bonus record over the past forty years.

**Staff**  
The increases in new business which I referred to earlier inevitably require hard work and dedication to provide the service which our clients are entitled to expect. I am pleased to acknowledge on behalf of our policyholders the contribution our staff has made in all areas of the Company's activity.

ROBERT C. SMITH  
CHAIRMAN







UK COMPANY NEWS

# Octopus Publishing takes on debt-laden Hamlyn

BY ALICE RAWSTHORN

Octopus Publishing pulled off a double coup yesterday by announcing the acquisition of Hamlyn Publishing, which its chairman, Mr Paul Hamlyn, founded in the 1950s—from Reed International for a nominal amount and by unveiling a 51 per cent increase in pre-tax profit to £20.36m.

Hamlyn Publishing, which produces children's and adults non-fiction under the Hamlyn, News and Dean imprints, was sold by Mr Hamlyn to IPC, which was subsequently taken over by Reed, in 1984 for £2.25m. Mr Hamlyn continued as chairman of the company until he left IPC in 1970 to found Octopus.

The company produced turnover of £20m last year but operated at a loss. Mr Hamlyn first offered to buy it from Reed three years ago. Reed refused but struck an informal understanding that, should it

be sold, Mr Hamlyn would have first refusal. Reed approached Octopus in January and the sale was concluded yesterday.

"There was a sort of inevitability that Reed would move out of book publishing eventually," said Mr Hamlyn, "and that when it did, Hamlyn Publishing would come back to me."

According to Mr Hamlyn, the company should contribute to group profits within the course of the current year. Although Octopus has not yet decided how to integrate Hamlyn's activities within the group, it plans to effect cost savings by bringing Hamlyn within Octopus's existing distribution and production network.

The acquisition of Hamlyn follows the purchase of Websters, the book distribution group in December 1984, and of the educational publishers, Heinemann, from BTR, which became a major shareholder in

Octopus, in August.

Although Octopus does not identify profits for individual divisions, City estimates suggest that Websters and Heinemann contributed around £2m and £8m respectively to the profits of £20.36m.

Despite adverse exchange rates from its main overseas markets, the US and Australia, and intensified competition in this country, Octopus's turnover increased by 50 per cent to £138.27m (£92.13m) in 1985. Earnings per share are up to 23.1p (16.5p), and the final dividend is 4.59p for a net total of 6.75p (5.4p).

Throughout 1986 Octopus anticipates further growth in the US and Europe and recovery in Australia. In this country it plans to develop Heinemann's activities in the technical and parental education field and to integrate Hamlyn within the group.

TV RESULTS

## Central TV to give vote to all shares

Central Independent Television, the contractor for the Midlands, is considering the enfranchisement of its non-voting shares and applying for a Stock Exchange listing. At present it has a quote on the USM.

Discussions are being held with the Independent Broadcasting Authority, the Stock Exchange and major shareholders, which include Ladbroke Group, Sears Holdings, D. C. Thomson and Pergamon Press/BPCC.

Mr Bob Phillips, managing director, said the company was making the move to achieve greater equality between the two classes of shareholders and also to make it more attractive to investors if it got a stock market listing.

He added that there had been fairly detailed discussions between the interested parties but could not give any details on how the enfranchisement might be done.

The announcement was made with the publication of the preliminary results for 1985 which reveal pre-tax profits up by 18 per cent from £10.65m to £11.86m on turnover which rose by 8 per cent to £165.05m (£152.2m).

Earnings per 50p share came out at 26.3p, against 24.3p, and the directors are proposing a final payment of 10p (8p) making a total for the year of 12.5p up from last year's 10.5p.

Mr David Justham, chairman, said that despite the growth at the beginning of the year net



# "Another year of progress"

reports David Justham, Chairman

Unaudited Results		
Year ended 31 December	1985 £'000	1984 £'000
Turnover	165,046	152,203
Group profit before taxation	11,856	10,047
Taxation	(5,262)	(3,980)
Profit after taxation	6,594	6,067
Dividends paid and proposed	(3,136)	(2,627)
Retained profit for year	3,458	3,440
Earnings per share	26.3p	24.3p

The figures for the year ended 31 December 1985 have been extracted from the full accounts which have not yet been reported on by the company's auditors and have not been filed with the Registrar of Companies.

- Turnover increased by 8.4%.
- Profit before taxation increased by 18.0%.
- Earnings per share increased by 8.2%.
- A final dividend of 10.0p per share is proposed in addition to the interim of 2.5p already paid, making a total of 12.5p compared with 10.5p for 1984, an increase of 19%.

The Annual General Meeting will take place on 22 May 1986, and copies of the 1985 Report and Accounts will be available from 30 April 1986 from the Secretary, Central House, Broad Street, Birmingham B1 2JP.

## Trident bows out of TV with £2m sale

Trident Television, the company which once owned both Yorkshire Television and Tyne Tees Television has finally bowed out of independent television.

Trident, a wholly owned subsidiary of Pleasurama, the gaming, leisure and hotel group, has sold its last remaining stake in ITV—18.7 per cent non-voting and 20 per cent voting shares in Tyne Tees, the ITV contractor for the north east.

The shares have been sold to a number of institutions for more than £2m.

Mr George Martin, managing director of Pleasurama, described the sale yesterday as a tidying up operation.

"Pleasurama has been withdrawing from minority stakes and television doesn't fit in with our other interests."

The company bought Trident last year for its casino interests. Agreement of the Tyne Tees board and the Independent Broadcasting Authority has to be sought for the transfer of more than 5 per cent of the voting shares. Because the shares have been sold to around half a dozen institutions this is thought unlikely to pose a problem.

## Park Place profits rise by nearly 21% to £1.5m

Park Place, which has recently been active on the acquisition front, yesterday reported a near 21 per cent increase in interim taxable profits from a restated £1.25m to £1.51m.

The improvement was spread across three of Park Place's divisions, the exception instalment credit activities, which contributed a lower profit of £171,000 against £226,000. The largest increase, both in absolute and in percentage terms, stemmed from the contract services side which increased profits by more than 21 times to £355,000.

Training and publishing—the two core businesses—made £301,000 (£238,000) and £461,000 (£345,000) respectively. Group turnover rose by £3.55m to £14.67m.

Earnings per 10p share improved from 6.1p to 7.3p and the dividend for the six months to end-December 1985 has been lifted from 2.25p to 2.75p.

Park Place, which earlier this week declared unconditional its bid for United Computer and Technology, says the training divisions' results disguise a number of factors, particularly at Key Training, had the effect of putting a greater proportion of profits

into the second half.

Financial Training Publications had a good period and the directors are proposing a final payment of 10p (8p) making a total for the year of 12.5p up from last year's 10.5p.

Mr David Justham, chairman, said that despite the growth at the beginning of the year net

## Buoyant advertising helps LWT advance 13%

IMPROVED results from London Weekend Television, where turnover rose by more than 14 per cent, was the main factor behind a 13 per cent increase in pre-tax profits for LWT (Holdings) in the six months to January 26 1986.

Directors say that buoyant demand for advertising, experienced in common with the rest of independent television, contrasts with the static revenue last year and augurs well for the coming half.

Taxable profits were £5.13m (£5.43m), struck after exchange levy of £3.43m against £1.44m.

Turnover for the period fell from £83.79m to £75.55m as a result of the de-capitalisation of the Hutchinson interest following its merger with Century Publishing last year.

Earnings per share came out at 18.61p (16.42p) and the interim payment is being increased from 5.1683p to 5.685p.

The tax charge was little changed at £2.65m (£2.62m).

comment

LWT's shares have waxed and waned over the last year or so... waxing with the Hutchinson merger and the (short-lived) emergence of an American predator... waning with the formation of the Peacock Com-

mittee and the imposition of Exchange Levy on the profits of overseas programme sales. This set of interims fell slightly below the market's expectations. Nonetheless the shares gained 7p yesterday to close at 337p. The City anticipates a stronger second half with profits of £11.5m and a 1/2 of for the year as a whole. LWT's chief competitor, for advertising revenue, Thames, has adopted an increasingly aggressive sales policy over recent months. Perhaps perversely this should benefit LWT, as Thames stems the flow of revenue out of London towards the regional stations. But LWT's costs, historically high, even by the propitiate standards of ITV, escalated further in the first half and the Levy reform, structured specifically to hit companies like LWT, looms over its long term prospects.

This announcement appears as a matter of record only.

## HOUSEHOLD MORTGAGE CORPORATION PLC

The following institutions have subscribed for Cumulative Convertible Preference Shares

CIN Industrial Investments Limited	Electra Investment Trust plc
Friesch-Groningsche-hypotheekbank N.V.	Globe Investment Trust plc
International Financial Markets Trading Limited	Investors in Industry plc
Marine and General Mutual Life Assurance Society	Mercantile House Holdings plc
Murray Ventures PLC	Royal Life Assurance Limited
Skandia International Insurance Corporation AB	Sumitomo Life Insurance Company
	Sumitomo Life International Limited

March, 1986

HTV profits rise 10%

HTV Group, which holds the independent television contract for Wales and the west of England saw pre-tax profits improve by 10 per cent from £3.98m to £4.34m in the six months to the end of January 1986. Turnover rose from £50.67m to £56.13m, an increase of 11 per cent.

Earnings per share came out at 12.59p (11.28p) and the interim payment has been raised from 2.5p to 2.8p.

A breakdown of operating profit of £4.48m (£4.21m) shows television up from £2.83m to £3.55m but falls in the other divisions with fine art at £44,000 (£50,000), stationary £22,000 (£258,000) and property £109,000 (£230,000).

The directors say that the significant factor affecting the outcome for the year will be advertising revenue, which improved in the last two months. They expect overseas programme sales to be similar to the £5.4m achieved in the previous year.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or purchase, any securities.

## £75,000,000

# Nationwide Building Society

(Incorporated in England under the Building Societies Act 1874)

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Baring Brothers & Co., Limited	Bank of America International Limited
ANZ Merchant Bank Limited	Banque Nationale de Paris
Banque Bruxelles Lambert S.A.	Citicorp Investment Bank Limited
Bayerische Vereinsbank Aktiengesellschaft	Deutsche Bank Capital Markets Limited
Daiwa Europe Limited	Hambros Bank Limited
Fuji International Finance Limited	LTCB International Limited
Lloyds Merchant Bank Limited	Nomura International Limited
Samuel Montagu & Co. Limited	Salomon Brothers International Limited
Orion Royal Bank Limited	Standard Chartered Merchant Bank Limited
J. Henry Schroder Wagg & Co. Limited	S. G. Warburg & Co. Ltd.
Tokai International Limited	Yamaichi International (Europe) Limited
Westdeutsche Landesbank Girozentrale	Yasuda Trust Europe Limited

The issue price of the Bonds is 101 per cent. Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List.

Interest will be payable annually in arrear on 3rd April of each year, beginning on 3rd April, 1987.

Particulars relating to the Bonds and the Issuer are available in the statistical service of Exel Statistical Services Limited. Copies of the Listing Particulars may be obtained during usual business hours up to and including 25th March, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 4th April, 1986 from:

Nationwide Building Society, New Oxford House, High Holborn, London WC1V 6PW	Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ
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21st March, 1986

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- Manufacturers Hanover Trust Company, Stockenstrasse 33, 8027 Zurich, Switzerland
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- Manufacturers Hanover Bank Luxembourg S.A., 39 Boulevard Prince Henri, Luxembourg
- Manufacturers Hanover Limited, Fiscal Agent

THE PROPERTY MARKET BY MICHAEL CASSELL

Hammerson links up Brussels fights way back to good health with Japanese

HAMMERSON is linking up with Tasei Corporation of Japan to carry out a £70m office development project in the City of London.

The deal represents another significant move by a Japanese contractor into the UK development sector. In December, Glengate Developments announced that it was linking up with Kumagai Gumi to develop a £150m office centre on the site of the former Post Office headquarters in the City.

The Hammerson-Tasei agreement involves the purchase, for a figure well in excess of £25m, of River Plate House, Finsbury Circus, from the Electricity Supply Pension Scheme. The building is currently occupied by British Telecom but the tenancy is understood to expire in about two years' time.

The 50-50 financial partnership means that both companies will equally share acquisition and funding costs and, presumably, eventual ownership. The redevelopment is planned to provide well over 100,000 sq ft of modern office space on the site.

Tasei Corporation is one of Japan's largest construction and real estate companies and has a European division. The Hammerson agreement will, however, be its first foothold in the UK. It is understood that ESN, without the aid of agents, approached Tasei to see if the group was interested in buying the property. The Japanese said yes, they then contacted

Hammerson direct and the deal was done.

The new building will be designed to complement its surroundings in Finsbury Circus, one of the City's leading office locations. For the Japanese, who will not be undertaking the contracting work, the agreement will provide them with a first-hand opportunity to study the City office market and could pave the way for further investment.

The current strength of the City market, based on the financial services revolution now underway, is attracting increasing attention on the part of overseas investors who have traditionally been put off by comparatively low yields. But the Japanese are now looking closely at the opportunities available for real estate investment in the London market and the indications are that they will step up their UK spending over the next few years.

● DCI (Holdings) has let, prior to final completion, the £20m Westgate centre, its 80,000 sq ft office development in Argyle Street, Glasgow, at a rental of £7.50 a sq ft. Permac Property and Montagu Evans acted for DCI.

● Project Development Group is to develop a £60m waterfront complex in the Isle of Dogs enterprise zone in London's docklands. The adverse site will house a hotel, a 120,000 sq ft office development and a medical centre.

"BRUSSELS is an amazing market. Fantastic if you are an owner, not so good if you are a tenant and cannot find any space," Michael Bamber, a European director of Richard Ellis, the estate agents, says sizeable chunks of office space in Europe's capital city are in short supply for the first time in years.

From his office in the Avenue des Arts, Bamber reflects on just how the market has changed. "There is very, very little space available above the 16,000 sq ft bracket. Our office has nearly 300 demands registered for office space, accounting for over 3.8m sq ft."

He reckons the total represents 90 per cent of the Brussels letting business, indicating current total demand of around 4.3m sq ft, which compares with a city office stock of 64m sq ft—10m sq ft of which was left hanging on the market in the mid-1970s, after the development boom and subsequent property slump.

"It was so bad then, and people got used to it being so bad, that they could not believe that it would ever get better," he adds.

Bamber speaks from experience. He has been in Brussels for 20 years, arriving "just about the time the British developers like Harry Hyams and Charles Clere were moving in."

The late 1960s, early 1970s progression from raising demand, space shortage and development boom should have come to an abrupt end with the first oil shock; but Bamber

says that by 1973 the developers were caught—having to take up options from builders, who would not let them off the hook.

The collapse left something like a 10m sq ft surplus and faced with such choice, developers and their agents found it hard to get tenants to decide exactly what they wanted.

"We tried persuasion, by fixing charges, limiting the indexation of rents, paying removal costs—even giving one or two years' rent-free periods on three year leases, in the hope of getting them to stay on afterwards," Bamber recalls.

Slowly, slowly, the slump worked itself out. Then came what Bamber describes as the third generation of Brussels office developments, with the emphasis on tenant comfort and low charges.

Once bitten, however, the developers initially fought shy of the conventional office market. With interest rates still high, developers turned to industrial buildings offering higher returns. The result was a new generation of industrial property close to the city and with an office content rising from around 25 per cent to about 50 per cent.

The recent in development is now, however, back on office, encouraged by the reluctance of the investing institutions to purchase semi-industrial property.

The prime, office alternative is clearly more immediately attractive. Ellis has traced the progression of prime Quarter Leopold rents since 1985, which shows they peaked in 1973 at

BFR 3,750 a sq m and then took another ten years to get back to that level.

Last year, however, they shot up from BFR 3,750 a sq m to BFR 4,600 a sq m. The Belgian institution, Assurance Generale, got BFR 5,000 a sq m for an Avenue Louise building on Place Stephanie.

That, says Bamber, was a freak rent—but not for long. "For one of two buildings on our books we are now quoting BFR 6,000 on completion in two years' time. "Ellis has recently sold a Quarter Leopold site on Boulevard du Regent to a Dutch developer for the construction of 7,000 sq m at a total estimated cost of £7m. Rents will be in the region of BFR 6,000 a sq m.

Other aspects of the Belgian property investment market could look less toothsome to the UK punter and might, indeed, provide food for thought for the chartered surveyors who have been living and breathing utilisation for the past year or so.

Brussels has got there already. In December last year, the circular Glaverbel building on the city's outer ring road was offered to the public in the form of bearer property bonds for a total value of some BFR 1.1bn (£162m). The bonds were all taken up on the day of issue.

They offered a 5.25 per cent yield, less a 25 per cent withholding tax and were snapped up because the lowering of general interest rates made them attractive to private Belgian investors.

The Glaverbel building's shape is not exactly institu-

tional. It is 20 years old already and while the major tenant is in for 11 years, the growth prospects for this particular investment cannot be highly rated.

On the make-up of the Brussels office market, Richard Ellis says that Belgian public and private sector occupiers account for 55 per cent (35 per cent and 20 per cent respectively) of the market; international institutions take another 15 per cent, with the international private sector accounting for a further 26 per cent.

While the major part of the Quarter Leopold is taken up by Common Market and largely institutional occupiers, the outskirts, such as Boulevard de la Woluwe and Boulevard du Sovereign, are principally occupied by companies in the informational technology business.

Bamber likes to recall that, in January 1983, he forecast the present recovery. Then he predicted that, with interest rates and inflation likely to continue falling, economic recovery would soak up vacant floorspace and restore growth in rental and capital values. The upturn has been a long time coming but the Brussels property market is, it seems, finally back on form.

**Mr Mitchell makes Fleet St. headlines**

GREVILLE MITCHELL has been part of the property world for 25 years but his name only hit the headlines this week with the unveiling of his company's plans for the redevelopment of the Daily Telegraph printing works off Fleet Street.

Mitchell and Rothsay Developments, the company he started in 1975, prefer a low profile but his stunning, high-rise proposal for the Telegraph site, now approved by the City Corporation, inevitably puts him in the spotlight.

Many of the development industry's biggest names were competing for the chance to provide Fleet Street with a new landmark—and help the Telegraph raise some badly needed cash—but it was Mitchell who beat them all to it. Success came, he says, because of his determination to provide first class space and first class architecture, although he concedes that the recent change of heart by the City planners may have made life easier than it might otherwise have been.

After starting at John D. Wood in 1960, Mitchell cut his development teeth with Ronzie Lyon before joining Bovis and then spending time in the US, where Rothsay is now active. The company has worked around the UK on behalf of investors like Standard Life, Scottish Amicable, Clerical Medical and General Life and

Lazard Property Unit Trust. Mitchell, now 45, believes passionately in good design, emphasising that while the developer can walk away from his work, the occupiers "can be stuck with it" for generations.

He says he is a great admirer of some of the latest proponents of modern commercial office space but makes it clear he dislikes what he calls the new generation of "factory office space." "People have got to look at it and live in it. On the Telegraph project, we have spent literally years getting it right and finding what people want. We have always attempted to identify what the market needs and to zero in on it, refusing to be deflected along the way."

Mitchell says he wants to stay small, despite having won the big one with the Telegraph: "I have no plans for the USM or any other form of flotation. I lived through the crash and saw too many companies suffer at the hands of hysterical shareholders. We are happy as we are."

Rothsay now has the taste for City projects, however, and is already looking at another within the Square Mile. At the Telegraph, non-recourse, medium-term funding is lined up through Southeast Bank of Miami but Mitchell says he has a very relaxed view about the eventual fate of the investment.

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## TECHNOLOGY

# 'Electronic quantum leap' is put to the test by Sharp

BY CARLA RAPOPORT IN TOKYO

DR STANFORD Ovshinsky did not mince his words. "It is a statement, not a claim. It is the first new physics approach in transistors with widespread applications since 1947."

In other words, since the invention of the transistor itself, the cornerstone of the microelectronics revolution. Dr Ovshinsky, chief executive officer of Energy Conversion Devices (ECD), a small company based in Michigan in the US, was in Tokyo recently to make his bold claim, a quantum leap, he says, for the electronics and communications business.

Unfortunately, potential quantum leaps in the electronics industry are worth about ten yen to the dozen in Tokyo these days; the local and foreign press were distinctly unmoved. Only a handful showed up for the press conference. Nevertheless, Dr Ovshinsky has been taken seriously in Japan by Sharp, one of the country's major electronic companies. ECD's transistor is fabricated in amorphous silicon, a material it has been investigating for many years.

The individual crystals of silicon in the amorphous state are arranged randomly unlike the neat arrays which characterise the silicon substrate used for conventional silicon chips. Nevertheless, it is possible to use amorphous silicon for devices such as solar energy collectors — wrist watches and calculators powered by sunlight often have collector panels made of amorphous silicon.

So it is not surprising that Sharp, which includes solar powered calculators in its product line, is interested in amorphous silicon in general and ECD in particular.

Dr Tadashi Sasaki, the 70-year-old senior executive vice-president of Sharp and a respected scientist in his own right, said: "If the principles ECD has announced are correct, this is a breakthrough, a revolutionary discovery. Therefore, we are now trying to confirm the discovery as fast as possible."

This should take Sharp about six months. While Japanese companies are studying Dr Ovshinsky's new transistor, UK semiconductor experts were politely sceptical when asked about the Ovshinsky device. Indeed many US experts dis-

miss the Michigan inventor as something of a crackpot.

The receptivity of the Japanese, according to Ovshinsky, is why he chose to make his announcement in Tokyo: "Silicon Valley is Death Valley. The centre of this industry is shifting to Japan," he said.

Ovshinsky's invention is called a DIFET, a double injection field effect transistor. According to ECD it can be made from amorphous silicon or conventional crystalline silicon. It has a high current output, is inexpensive to produce and has optical emission qualities.

Ovshinsky points to the possibility of fabricating layers of amorphous silicon, one on top of the other, with each layer a computing surface comprising thousands of DIFET devices, and communicating vertically by light.

Exactly what a DIFET is seems difficult to analyse from the published material available. The claimed advantages lie in the ease of manufacture — no clean rooms, ion implantation equipment and so on, because amorphous materials do not need the precision of traditional chips.

There is a precedent. A Mr Omura of NTT in Japan developed a somewhat similar device called a Lubister in 1982. Japanese researchers say, however, that the Lubister and the DIFET behave in very different ways.

The Japanese are chiefly interested in DIFET-type devices as controllers for large liquid crystal display screens, a use for which some of their claimed characteristics make them ideal.

Most do not seem to share Dr Ovshinsky's belief in the universal applicability of his new device. Even to operate as a display controller, existing DIFETs will have to have their on/off current flow performance improved by about one million times.

Sharp's research will tell if Dr Ovshinsky's device will change the direction of the semiconductor business. But for the time being there seems no immediate prospect of an end to bipolar and field effect transistor technology, clean rooms and very, very painstaking manufacturing techniques.

Peter Marsh on research that will influence the direction of the Strategic Defence Initiative

## Chase for the big Stars War contracts

FIVE US engineering teams are putting the finishing touches to an important set of Star Wars studies which, by setting out guidelines for design work in the \$26bn research programme, will influence the part played by major defence corporations which are jostling for contracts worth hundreds of millions of dollars.

Under the studies, each worth \$5m, the teams are trying to devise the overall shape or "architecture" of a fool-proof system to defend the West from nuclear attack by shooting down missiles. The design of such a system is the goal of the Star Wars project, more correctly called the Strategic Defence Initiative.

Working on aspects of the architecture research are some of the largest US defence concerns, including Boeing, TRW, Rockwell and Hughes Aircraft.

Although the five architecture contracts are small in relation to the \$5bn so far allocated to the research (of which some \$2bn has been spent), they will have a crucial role in determining the programme's direction.

Results from the studies, which started last autumn and are due to start until the spring or early summer, are fed continually to the SDI Organisation, the Defence Department body overseeing the five-year research project. The Pentagon has forced the contractors into a tighter schedule, bringing forward the completion date for the studies by about six months.

The SDI Organisation needs the architecture results as quickly as possible to modify its own thinking about the

different components in an operational Star Wars system.

These components include the sensors needed to detect missiles and decoys moving through space; the devices such as laser guns or "intelligent" projectiles required to shoot them down; and the computers and communications links which would link up the complete network.

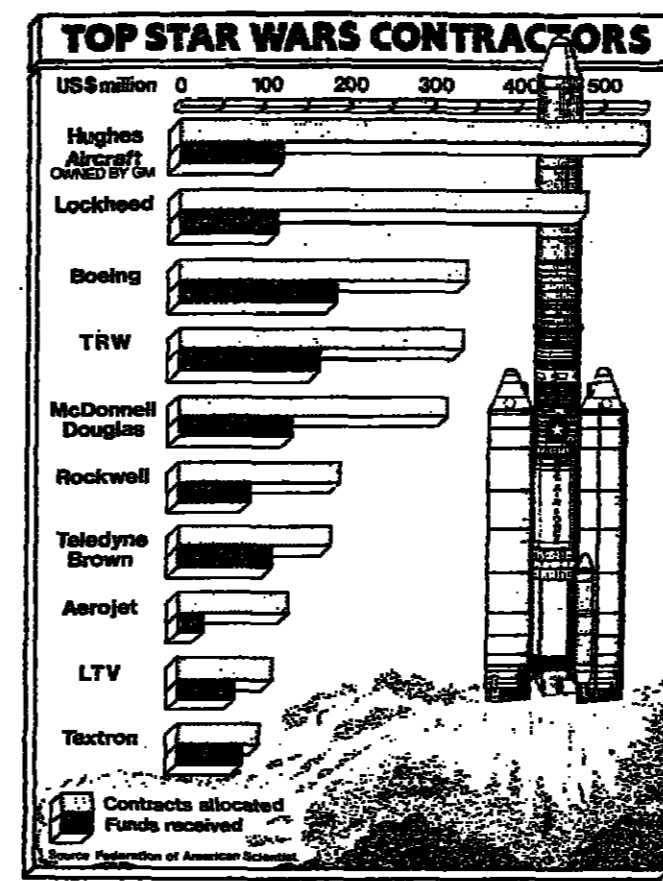
Gaining an insight into the architecture work — which is entirely theoretical and does not involve hardware construction — is essential to the big US defence companies which hope to gain large equipment contracts in the latter stages of the SDI programme.

"Everyone is looking to the research recommendations from the architecture studies," said Dr Julian Davidson, vice-president of defence technology at Booz Allen and Hamilton, a consulting company in Bethesda, Maryland.

Dr Davidson's company is involved in one of the studies as a subcontractor to Science Applications, a Washington-based research organisation. The other four contracts are led by Sparta, another relatively small research concern which is based in Huntsville, Alabama, and by three giants of the US defence industry, TRW, Rockwell and Martin Marietta.

"We felt it was important to put some of our best talent into the study," said Mr William Poole, director of the architecture work at Martin Marietta in Denver, Colorado. "Through this work we get a lot of insights into other parts of the programme."

Such are the sentiments of other big US defence and electronics concerns which, while not among the five architecture



companies, have formed subcontracting teams to work on the studies.

For instance, Westinghouse and Boeing are working on the Science Applications study, and IBM and Hughes Aircraft (now part of General Motors) are part of the Martin Marietta team. General Electric and AT&T are working with Sparta,

while the Rockwell subcontractors include Sperry and LTV. The TRW team includes General Dynamics and RCA.

The companies working on the architecture studies, either directly or indirectly, are prominent among the concerns which are most heavily involved in the SDI, in terms of contracts obtained so far.

These concerns clearly hope to obtain still bigger contracts as the programme moves into its later stages, when the accent will be less on theoretical studies and more on hardware development. Spending is due to grow from \$2.7bn this year to \$4.8bn in the financial year beginning in October, and to \$6.1bn in 1988.

The SDI Organisation refuses to discuss the architecture work on the grounds that it is classified. Some clues have emerged, however, from an earlier group of architecture studies which finished last summer. Ten contractors were each given \$1bn to work on these studies—and out of these emerged the five teams now proceeding with the more extensive work under the second phase.

According to Mr John Pike, a space analyst at the Federation of American Scientists who keep a watch on the SDI programme, the first phase of the studies led to some important changes in direction in the programme.

For instance, there now appears to be a greater emphasis on ground-based lasers as devices to shoot down missiles together with an alteration in the strategy for sensors and computers.

The Pentagon has yet to make up its mind on what is likely to follow the completion of the architectural studies in the summer, but it seems that one or two of the five contractors may be given a further contract—worth \$25m to \$50m over a year—to hone down the ideas on architecture still further.

Under this work the winning teams would liaise both with the SDI Organisation and another group of companies due to be given a contract to develop the National Test Bed, a grandiose, \$500m test facility which would conduct trials on software and hardware elements developed in other parts of the Star Wars programme.

Another idea is to set up a private "think tank" totally financed by the Pentagon to monitor progress in future architecture studies. The think tank, of 100-200 people, would have no commercial links with other SDI contractors.

Such an organisation, along the lines of similar groups like the RAND Corporation and the Institute for Defense Analysis, would provide the SDI Organisation with information which would be relatively free from commercial bias.

### THREE MAJOR CHANGES IN PROGRAMME'S STRATEGY

THE SDI programme appears to have made three major changes in strategy over the past year, according to an analysis by Mr John Pike of the Federation of American Scientists.

● **Sensors.** The Pentagon appears to be giving less emphasis to conventional sensors which spot warheads by analysing either visible light or heat emitted by missiles. Processing the information from such sensors in the time required—no more than a few minutes if an

attack by the Soviet Union is to be blunted—would put too great a strain on even the most powerful computers.

Instead, the accent is on beaming at incoming missiles either low-intensity laser light or beams of atomic particles such as protons and neutrons. By monitoring with high-power telescopes how the beams influence the missiles' course, the computers in charge of the system would work out the positions of the projectiles. They would also discriminate between real

weapons and the much lighter decoys which the USSR would send into space at the same time, to confuse surveillance attempts.

● **"Kill" mechanism.** The Pentagon has virtually scrapped plans for esoteric "rail guns"—space-based devices which would shoot down missiles with small pellets accelerated by electromagnetic forces—in favour of ground-based lasers and small rockets launched either from satellites or from the earth.

● **Computers.** Star Wars engineers are leaning towards a strategy in which an anti-missile system is controlled not by one set of powerful computers but by perhaps 1,000 independent computers, each mounted on a satellite and responsible for surveillance and destruction of missiles in a particular section of the sky. This, it is thought, would reduce the huge problems of testing the 10m-20m lines of software needed for a working Star Wars system.

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Better link with the office for businessmen on the move

By Geoff Charlish

FOR BUSINESSMEN on the move, text and data can be sent and received from almost any location where a telephone is installed, using a system introduced by Connex, a London company.

Most people travelling abroad conventionally turn to their host's secretary to get a telex message sent back to their home base. But with international direct dialling installed in most of the developed world, there is a clear attraction in being able to use the telephone network.

Connex offers two units, the PX1000 portable which is about the size of a large calculator and is easily carried in pocket or briefcase and the DX90 home-base unit which is equipped with a printer.

The traveller simply dials the home number on the phone, holds the PX1000 to the handset mouthpiece, waits for a receive tone from the DX90 and presses the send button.

In under 30 seconds, up to five pages of A4 text and data previously entered via a small keyboard are sent over the phone network and printed out at about 60 characters a second at the other end—some 10 times faster than telex.

The PX1000 has a single line 40 character liquid crystal display and some quite advanced word processing, to ease text compilation.

It can also be used to send the conventional telex or to send a message through one of the electronic mail services. In that case, the user dials a Connex "gateway" number first and is billed accordingly.

The PX1000 costs £485, the DX90 home-base unit £795. Both are approved by British Telecom.

## FACE TO FACE WITH THE FUTURE

Hanover Fair INDUSTRY in April is geared to the presentation of modern industrial technology from throughout the world. The new dynamic concept recently developed for this famous international trade fair — which has been known for decades as the world's largest exhibition of capital goods — will help Hanover Fair INDUSTRY to set new standards of excellence.

It is not surprising that key personnel such as managers, engineers, designers, buyers, representatives of the skilled trades and specialist dealers should come to the Hanover Fair. After all, the "Fair of Fairs" provides information on a wide range of industries and permits an insight into the latest developments in industrial technology.

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Further information from: Arnold Rüstemeier, Breda, Sandarstead Road, Sandarstead, South Croydon, Surrey CR2 0AL, Tel: 01-851-279, Telex: 8951514

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FT COMMERCIAL LAW REPORTS

Anton Piller documents can be used abroad

BAYER AG v WINTER AND OTHERS
Chancery Division: Mr Justice Hoffmann: March 19, 1986

WHERE A plaintiff obtains documents under an Anton Piller order in foreign proceedings...

Mr Justice Hoffmann said that an order for attachment of funds in a Swiss bank account was made on satisfactory evidence of fraud...

The use of the information was justified on the ground that at least the initial object of such proceedings was the attachment of funds in those countries.

Orders of the latter kind could not be made fully effective except by the courts of the country where the assets actually were.

Mr Justice Hoffmann said that Bayer alleged that Grandview had been involved in the manufacture and sale of an imitation of an insecticide sold by Bayer under the name Baygon.

Mr Justice Hoffmann said that Bayer obtained documents from offices in Cannon Street used by one or more of the defendants.

The documents prima facie suggested that some of the defendants had knowingly participated in a fraudulent scheme for the manufacture and sale of infringing goods.

obtained by Anton Piller order, for the purposes of proceedings against the defendants and others in Austria and Switzerland.

An affidavit from a Swiss lawyer and a husband from Bayer's solicitor reporting the opinion of an Austrian lawyer...

The Swiss lawyer said that an order for attachment of funds in a Swiss bank account was made on satisfactory evidence of fraud...

There was no difficulty about the use of Anton Piller material for the purpose of proceedings in Austria against existing defendants not party to the English proceedings.

Orders of the latter kind could not be made fully effective except by the courts of the country where the assets actually were.

Mr Justice Hoffmann said that Bayer alleged that Grandview had been involved in the manufacture and sale of an imitation of an insecticide sold by Bayer under the name Baygon.

Mr Justice Hoffmann said that Bayer obtained documents from offices in Cannon Street used by one or more of the defendants.

The documents prima facie suggested that some of the defendants had knowingly participated in a fraudulent scheme for the manufacture and sale of infringing goods.

lack of precedent if the order would not offend against principle or policy. It did not.

The undesirability of encouraging multiplicity of suits had been acknowledged, but distinction was drawn between proceedings for protective measures and litigation of substantive merits.

Bayer said it had no wish to litigate the merits in Austria or Switzerland. It was willing to undertake, once the protective measures were in place, to apply to the Swiss and Austrian courts to stay proceedings pending the decision of the English court on liability.

If the effect of a Mareva injunction was to secure an adequate fund in the UK to meet a plaintiff's claim, there would be no need to look for assets abroad.

There were territorial limits to the effectiveness of the English court's order. If, however, there was evidence that a foreign court would be willing to make orders similar to a Mareva injunction on assets within its jurisdiction, other things being equal the English court should not restrict a plaintiff's ability to obtain such relief.

It would be pointless insularity to put obstacles in the way of a plaintiff who wished, with the aid of foreign courts, to enforce an English judgment against a defendant's assets wherever they might be.

The only prejudice which the defendants said they would suffer from disclosure of the information to the foreign court was that the proceedings against them might be successful.

THESE REPORTS, together with full texts of judgments, are published in monthly volumes. For subscription details contact Kluwer Law Publishers, P.O. Box 17, 3300 AA Dordrecht, The Netherlands. Tel: 078-622222.

procedures in Austria or Switzerland. It would seem irrational for an English court to prevent the use of documents in the foreign court merely because production could not have been compelled by local process.

It was one thing to say that English litigation must be conducted exclusively according to local rules and without taking advantage of discovery in foreign courts. It was another to say that foreign proceedings must be conducted according to local rules when the foreign court would not care about the effect of the restriction would be to frustrate the effectiveness of an English judgment.

Mr Cripps submitted that if the order were permissible, it was too wide because it did not restrict Bayer to obtaining protective measures. The order allowed unlimited use of the information in the Swiss and Austrian proceedings.

The reason for imposing no restriction was that the court was not fully conversant with the steps necessary under Swiss and Austrian law to prevent a defendant from disposing of assets to frustrate execution of judgment.

Bayer had offered to seek a stay of the foreign proceedings, would give the defendants adequate protection against litigation in a multiplicity of jurisdictions.

The defendants' motion to discharge or vary the order was dismissed. Also the alternative relief sought, namely an injunction to restrain proceedings in Austria and Switzerland, was refused.

On a motion for further relief Bayer asked that Mr Winter be ordered to sign letters requesting a Geneva bank to disclose full information concerning the operation of an account he or Grandview might have maintained since January 1 1984.

On a balance of prospective convenience and inconvenience to Bayer and the defendants, and of the interests of justice, the order was granted.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts with columns for Name, Investment Objective, and other details.

The Princess Alice Hospice advertisement with logo and contact information.

F.T. CROSSWORD PUZZLE No. 5978

Crossword puzzle grid with numbers indicating starting positions for clues.

Clues for the crossword puzzle, including '1 Holds out chances of jobs in public relations?' and '20 Soldiers love to play around in retreat?'.

APPOINTMENTS New chief for Hawker Siddeley companies

Mr W. J. Richardson has been appointed managing director of Hawker Siddeley company. Mr R. A. Barnes has been appointed an assistant director in the banking supervision division of the BANK OF ENGLAND.

Continued overleaf notice and other small text at the bottom right of the page.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, unit trusts, and insurance policies with columns for company names, product details, and financial metrics.

Table titled 'Manufacturers Life Insurance Co (UK) Property Growth Ass Co Ltd - Contd' listing insurance products and their values.

Table titled 'Property Growth Ass Co Ltd - Contd' listing various property-related financial products.

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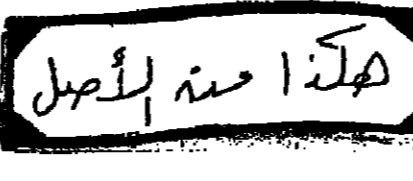
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Table titled 'Property Growth Ass Co Ltd - Contd' listing various property-related financial products.

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Financial Times Friday March 21 1986



INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and investment funds, including columns for fund names, descriptions, and numerical values.

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Table of financial data for various insurance and investment funds, including columns for fund names, descriptions, and numerical values.

Money Market Trust Funds

Money Market Bank Accounts

TRADITIONAL OPTIONS

Table listing traditional options with columns for option names, descriptions, and numerical values.

OFFSHORE AND OVERSEAS

Table of financial data for offshore and overseas investment funds.



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound firm but below best

Sterling broke through \$1.50 to touch its best level against the dollar for nearly two and a half years in early trading yesterday. A combination of firmer oil prices, a recovery in the stock market, strong gains in gilts and equities prompted heavy demand for sterling in early trading. It fell back later in the day but still showed a useful overall improvement. Its exchange rate ended at 148.25, up from 147.80, having touched 149.00 at the opening auction.

£ IN NEW YORK

Table with columns: Close, Mar. 20, Prev. close. Rows for 1 month, 3 months, 6 months, 12 months.

continued appreciation and growing speculation that the US authorities may wish to see the dollar decline still further. Reports suggest that the Fed has already ruled out the idea of concerted action with the Bank of Japan to underpin the US dollar for the time being. This tended to undermine the dollar against other currencies although with continued uncertainty about the outcome of the latest Opec meeting, US statistics released yesterday included personal income and consumer spending but these were sufficiently in line with market expectations to be ignored.

FINANCIAL FUTURES

Record gilt volume

Sterling denominated contracts closed back after a very strong start on the London International Financial Futures Exchange yesterday. The downward trend for most of the day followed less encouraging news from the meeting of the day from the Organisation of Petroleum Exporting Countries, in Geneva. Failure of the delegates to agree on production cuts and expectation that the meeting may end today with no agreement other than attempting to defend a price level of \$28 a barrel, tended to undermine the earlier confidence but prices of long gilt futures and three-month sterling futures remained higher on the day at the close. Turnover in long gilt futures rose to a record of over 16,000 contracts. June delivery opened at 124.25 and touched a peak of 125.14, boosted by optimism in London's financial markets on Wednesday, and by the strength of sterling on the foreign exchanges.

Table with columns: Strike, Call, Put, Last, Price, Date, etc. Rows for Liffe Long Gilt Futures Options, Liffe Treasury Bond Futures Options, Liffe 5Ys Options.

POUND SPOT - FORWARD AGAINST POUND

Table with columns: Days, Close, One month, Three months, Six months, One year. Rows for US, Canada, West Germany, Denmark, Ireland, France, Spain, Portugal, Italy, Norway, Sweden, Japan, Korea, Singapore, Taiwan, Hong Kong, New Zealand, Australia, NZD, SDR.

CURRENCY MOVEMENTS

Table with columns: Mar. 20, Bank of, Morgan, Currency, Change, %.

CHICAGO

Table with columns: US Treasury Bonds, US Treasury Bills, Three-month Eurodollar.

LONDON

Table with columns: 20-year 12% National Gilt, 10-year 12% National Gilt, 5-year 12% National Gilt, 2.5-year 12% National Gilt, 10% National Short Gilt, 100,000 £ of 100%.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table with columns: Days, Close, One month, Three months, Six months, One year. Rows for UK, West Germany, France, Spain, Portugal, Italy, Norway, Sweden, Japan, Korea, Singapore, Taiwan, Hong Kong, New Zealand, Australia, NZD, SDR.

CURRENCY RATES

Table with columns: Mar. 20, Bank of, Special, European, Currency, Rate, %.

OTHER CURRENCIES

Table with columns: Mar. 20, Currency, Rate, %.

STERLING INDEX

Table with columns: Mar 20, Index, %.

EXCHANGE CROSS RATES

Table with columns: Mar. 20, Currency, Rate, %.

OTHER CURRENCIES

Table with columns: Mar. 20, Currency, Rate, %.

EMU EUROPEAN CURRENCY UNIT RATES

Table with columns: Mar. 20, Currency, Rate, %.

EURO CURRENCY INTEREST RATES

Table with columns: Mar. 20, Short term, 7 days notice, 1 month, Three months, Six months, One year.

MONEY MARKETS

Interest rates continued to decline on the London money market yesterday, but finished above the day's lows. Three-month interbank rates fell to 11 per cent in the morning, but compared with 11 1/4 per cent on Wednesday. The market was reasonably optimistic another cut in clearing bank base rates, before the autumn time, suggested by Mr Nigel Lawson, Chancellor of the Exchequer. Settlement was buoyed by the Chancellor's optimistic comments on Wednesday: the forecast of 3.5 per cent inflation; and the strength of the pound on the foreign exchanges. In late trading overnight money rose to 18 per cent, after the total help from the Bank of England appeared less than necessary, according to the forecast shortage.

bank did not supply extra liquidity through currency swaps or Federal government disbursements. Demand for money was heavy because of tax payments by banks on behalf of customers, draining about DM 30bn, while the DM 8.5bn supplied through Wednesday's securities repurchase agreement, against maturities of DM 6.5bn was seen as insufficient to meet current requirements. Further problems are expected to arise next week from demand for cash ahead of the long Easter weekend. AS expected the Bundesbank left its discount rate at 3.5 per cent and Lombard rate at 5.5 per cent.

FT LONDON INTERBANK FIXING

Table with columns: (11.00 a.m. March 20), Three months US dollars, Six months US dollars.

NEW YORK RATES

Table with columns: Mar. 20, One month, Two months, Three months, Six months, One year, Lombard.

London remains optimistic

Interest rates continued to decline on the London money market yesterday, but finished above the day's lows. Three-month interbank rates fell to 11 per cent in the morning, but compared with 11 1/4 per cent on Wednesday. The market was reasonably optimistic another cut in clearing bank base rates, before the autumn time, suggested by Mr Nigel Lawson, Chancellor of the Exchequer. Settlement was buoyed by the Chancellor's optimistic comments on Wednesday: the forecast of 3.5 per cent inflation; and the strength of the pound on the foreign exchanges. In late trading overnight money rose to 18 per cent, after the total help from the Bank of England appeared less than necessary, according to the forecast shortage.

UK clearing banks base lending rate 11 1/4 per cent since March 19

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LONDON MONEY RATES

Table with columns: Mar. 20, Over night, 7 days notice, One month, Three months, Six months, One year.

MONEY RATES

Table with columns: Mar. 20, One month, Two months, Three months, Six months, One year, Lombard.

Company Notices

PUTNAM HIGH INCOME GNMA FUND
Specific Annuity Investment
Luxembourg, 43, Boulevard Royal
R.C. Luxembourg N° B12041
Dividend Notice
At the Annual General Meeting held on March 12, 1986, the shareholders decided the payment of a dividend of US\$0.50 per share payable on or after March 20, 1986, to registered shareholders of record as of March 13, 1986, and to holders of bearer shares upon presentation of coupon N° 2.

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Personal

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Personal

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CLASSIFIED ADVERTISEMENT RATES

Table with columns: From January 1, 1986, Per line (mins.), Single columns cm (mins.), Commercial & Industrial Property, Residential Property, Business Investment Opportunities, Business for Sale/Wanted, Personal, Motor Cars, Holidays & Travel, Contracts & Tenders, Book Publishers.

\$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON
The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, March 19, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Table with columns: COUNTRY, CURRENCY, VALUE OF DOLLAR. Rows for Grenada, Guadeloupe, Guam, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, Israel, Italy, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Laos, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Macao, Madagascar, Malawi, Maldives, Mali, Mauritania, Mauritius, Mexico, Monaco, Morocco, Mozambique, Myanmar, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, Saudi Arabia, Senegal, Sierra Leone, Singapore, South Africa, Spain, Sri Lanka, Sudan, Switzerland, Taiwan, Tanzania, Thailand, Trinidad, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom, Uruguay, USSR, Vanuatu, Venezuela, Vietnam, Virgin Islands, West Germany, Yemen, Yugoslavia, Zambia, Zimbabwe.

ENGINEERING—Continued

Table of Engineering stocks including companies like Balfour Beatty, Baxi, and British Steel, with columns for stock price, price/earnings ratio, and dividends.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and other consumer goods stocks including companies like Borden, Bunnings, and Cadbury.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS—Cont.

Table of Building, Timber, and Roads stocks including companies like Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease.

DRAPERY & STORES—Cont.

Table of Drapery and Stores stocks including companies like Debenhams, Debenhams, and Debenhams.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks including companies like ICI, ICI, and ICI.

DRAPERY AND STORES

Table of Drapery and Stores stocks including companies like Debenhams, Debenhams, and Debenhams.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads stocks including companies like Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease.

BRITISH FUNDS

Table of British Funds including various investment funds with columns for stock price, yield, and risk.

AMERICANS—Cont.

Table of American stocks including companies like American Express, American Express, and American Express.

CANADIANS

Table of Canadian stocks including companies like Canadian Pacific, Canadian Pacific, and Canadian Pacific.

BANKS, HP & LEASING

Table of Banks, HP & Leasing stocks including companies like Bank of America, Bank of America, and Bank of America.

INT. BANK AND OSEAS

Table of International Bank and Overseas stocks including companies like Citicorp, Citicorp, and Citicorp.

CORPORATION LOANS

Table of Corporation Loans including various loan products with columns for interest rate and terms.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans including various loan products with columns for interest rate and terms.

LOANS

Table of Loans including various loan products with columns for interest rate and terms.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits stocks including companies like Carlsberg, Carlsberg, and Carlsberg.

AMERICANS

Table of American stocks including companies like American Express, American Express, and American Express.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails including various bond and rail investments with columns for price and yield.



Financial Times Friday March 21 1936

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

LEISURE—Continued

Table of leisure-related stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

PROPERTY—Continued

Table of property-related stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

FINANCE, LAND—Cont.

Table of finance and land-related stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

MINES—Continued

Table of mining stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

Garages and Distributors

Table of garage and distributor stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

SHIPPING

Table of shipping stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

SHOES AND LEATHERS

Table of shoe and leather stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

TEXTILES

Table of textile stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

TOBACCO

Table of tobacco stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

PLANTATIONS

Table of plantation stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

INSURANCES

Table of insurance stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

PROPERTY

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

MINES

Table of mining stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, dividends, and other financial metrics.

Notes and regional & Irish stocks section containing detailed information and company names.

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WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock prices including companies like Creditanstalt, Oesterr. Anstalt, and others.

GERMANY

Table of German stock prices including companies like Allianz, BASF, and others.

NORWAY

Table of Norwegian stock prices including companies like Bergens Bank, Christiania Bank, and others.

AUSTRALIA (continued)

Continuation of Australian stock prices including companies like Anglo Pacific, BHP, and others.

JAPAN (continued)

Continuation of Japanese stock prices including companies like Dai Nippon, Daiwa, and others.

CANADA

Table of Canadian stock prices including companies like Alcan, Bell Canada, and others.

HONG KONG

Table of Hong Kong stock prices including companies like Bank East Asia, Citicorp, and others.

SINGAPORE

Table of Singapore stock prices including companies like Overseas Chinese, Sinopec, and others.

SOUTH AFRICA

Table of South African stock prices including companies like Anglo American, De Beers, and others.

NEW YORK

Table of New York stock prices including Dow Jones, S&P 500, and other indices.

INDICES

Table of various international stock indices including Australia, Canada, Germany, and others.

BELGIUM/LUXEMBOURG

Table of Belgian/Luxembourg stock prices including companies like S.A. Bel. Lan., Belg. Nat., and others.

SPAIN

Table of Spanish stock prices including companies like Banco Bilbao, Banco de España, and others.

SWEDEN

Table of Swedish stock prices including companies like Astra, Electrolux, and others.

ITALY

Table of Italian stock prices including companies like Banco Comita, Eni, and others.

NETHERLANDS

Table of Dutch stock prices including companies like ACP Holding, AEGON, and others.

FRANCE

Table of French stock prices including companies like Air France, Bouygues, and others.

DENMARK

Table of Danish stock prices including companies like Andelsbanken, Danmarks Bank, and others.

SWITZERLAND

Table of Swiss stock prices including companies like Adia Int'l, BNP Paribas, and others.

FINLAND

Table of Finnish stock prices including companies like Aktia, Aktia Ab, and others.

AUSTRALIA

Table of Australian stock prices including companies like Adelaide Stearns, ANZ Group, and others.

JAPAN

Table of Japanese stock prices including companies like Aihonmoto, Alpine Electric, and others.

SINGAPORE

Table of Singapore stock prices including companies like Overseas Chinese, Sinopec, and others.

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Table of New York stock prices including Dow Jones, S&P 500, and other indices.

INDICES

Table of various international stock indices including Australia, Canada, Germany, and others.

OVER-THE-COUNTER

Nasdaq national market, 2:30pm prices

Large table of over-the-counter stock prices for various companies.

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Advertisement for 'Allied Irish Banks' featuring a logo and text about interest rate changes and services.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, March 20

Main table of stock prices with columns for stock name, price, and change. Includes sub-sections for 12 Month, 1 Year, and 5 Year returns.

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NYSE COMPOSITE PRICES

AMEX COMPOSITE PRICES

Prices at 3pm, March 20

Table of NYSE Composite Prices. Columns include 12 Month High, Low, Stock, and Price. Includes sub-sections for 'Continued from Page 44' and 'Sales'.

Table of AMEX Composite Prices. Columns include 12 Month High, Low, Stock, and Price. Includes sub-sections for 'Sales' and 'Over-the-Counter'.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Table of Over-the-Counter prices. Columns include Stock, Sales, High, Low, Last, and Change. Includes sub-sections for 'Sales' and 'Over-the-Counter'.

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Handwritten signature: J. J. ...

